

Governance Gold Standard



CORE FUNCTION	KEY INDICATORS	DESCRIPTIVE BEHAVIORS
<p>Carrying the organization's mission or vision</p>	<ul style="list-style-type: none"> » A common understanding of mission » A shared understanding of vision (i.e., what the organization aspires to become in 5 years) » Use of mission and vision in policy/strategy decisions » Process for raising mission and vision issues 	<ul style="list-style-type: none"> » All board members share a common understanding of the mission that has been stress tested through discussion. » All board members share a common understanding of where the organization wants to be in 5-10 years; well-documented vision with concrete goals. » All significant policy/strategy discussions include explicit consideration of fit with mission and vision. » Formalized process (e.g., board retreats) to foster active board member participation in examining mission-related issues.
<p>Engage in strategic planning and policy decisions</p>	<ul style="list-style-type: none"> » Process for strategic planning and quality of board participation » Quality of the strategic plan » Agreement on the distinction between board-level and management-level decisions 	<ul style="list-style-type: none"> » A formal process in place for board involvement. It specifies a broad framework (timing and content) for strategic planning; joint board and staff ownership of strategic plan with some board members heavily involved; active discussion by the entire board supported by needed facts/materials before final approval. » The robust plan covers all key strategic elements; agreed-upon program outcomes tightly link to mission and vision, and results inform subsequent decisions; clear plan for closing resource gaps if any. » Board and staff have a shared understanding of relative roles (written or explicitly discussed); all parties feel their views are heard in the process; frequent interaction between CEO and Board Chair ensure "no surprises" environment.
<p>Developing (or replacing) the CEO</p>	<ul style="list-style-type: none"> » Evaluation and development process » Succession planning » Search process (when required) 	<ul style="list-style-type: none"> » Evaluations performed at least annually against pre-defined criteria; evaluation includes 360-degree feedback and consists of a self-assessment by the CEO. » Written feedback includes a skill development plan. CEO compensation decision reinforces the view of performance. » Board has a clear view of leader succession and actively works with the CEO to identify internal candidates and provide development opportunities for the top 3-5 candidates to "round out" their skills. » Formal search criteria, expectations for the first two years, and search plan receive broad board support; internal and external candidates reviewed to make "true choices" between qualified candidates.
<p>Developing the financial resources needed to support the strategy</p>	<ul style="list-style-type: none"> » Financial needs assessment » Individual donations to the organization » Involvement in fundraising planning and execution 	<ul style="list-style-type: none"> » Board works with staff as a part of the strategic planning process to develop a multi-year view of funding requirements and trade-offs embedded in different resource levels; the board feels strong ownership for the targets. » All board members financially support organization, which is a priority for each board member's charitable giving; the board consistently meets/ sometimes exceeds "donation" goals. » Board and staff develop a clear plan to meet fundraising targets; board introduces staff to potential donors and drives fundraising activities when necessary.

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<p>Providing expertise or access to support organizational priorities</p>	<ul style="list-style-type: none"> » Board understanding of needed access and influence to support organizational objectives, (e.g., legislative access, community access) » The ability of the board to provide access and influence » Board understands expertise needed for organizational goals, (e.g., financial, strategic, subject matter expertise) » The ability of the board to provide expertise 	<ul style="list-style-type: none"> » Needs for access and influence based on a strategic view of organizational objectives; needs are identified in detail to allow meaningful roles to be defined for individual directors. » Board proactively reaches out to further organizational goals and is frequently very influential in achieving them » Needs for expertise based on a strategic view of organizational objectives; needs are identified in detail to allow meaningful roles to be defined for individual directors. » Board expertise addresses most needs and is a source of distinctive value to the organization.
<p>Build reputation</p>	<ul style="list-style-type: none"> » Board understanding of reputation objectives and the role the board can play in building/enhancing reputation » Board effectiveness in strengthening the reputation of the organization in the relevant communities 	<ul style="list-style-type: none"> » Needs for reputation building based on a strategic view of organizational objectives; needs are identified in detail to allow meaningful roles to be defined for individual directors. » Board members proactively reach out to the community to build awareness and excitement about the organization; board members are seen to be very effective ambassadors for the organization.
<p>Oversee financial performance, ensure risk management</p>	<ul style="list-style-type: none"> » Board role in financial planning » Ongoing monitoring of financial and investment performance » Fiduciary and other regulatory compliance » Board role in risk management 	<ul style="list-style-type: none"> » Board's active involvement in preparing/reviewing multi-year financial plan results in a robust discussion of resource allocation, funding plans, and investment objectives in the context of strategic goals. » The board monitors financial statements regularly; key performance indicators routinely reported to the whole board; well-prepared staff can explain variances and discuss potential corrective actions; "no surprises" because of trustbased communication with staff. » Board ensures a timely, independent audit of results and internal processes; the board understands compliance required to regulatory bodies; feedback from auditors/regulators forms the basis of recovery plan monitored by the board. » Board annually reviews potential sources of risk and mitigation plans; surprises or gaps in coverage are few.

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<p>Monitor performance and ensure accountability</p>	<ul style="list-style-type: none"> » Board involvement in developing performance metrics » Process for monitoring performance » Board understanding of accountability » Process for obtaining and using feedback from stakeholders 	<ul style="list-style-type: none"> » Board works with staff to set outcome-based metrics and goals as well as activity/efficiency metrics; targets set for a 1 to 3 year period. » The performance of comparable institutions is used to inform targets. » Board routinely monitors and discusses the performance of the program/organization and uses results to inform the strategic plan, resource allocation, and evaluation of the CEO Board identifies primary stakeholders and ensures that performance results are communicated effectively to the stakeholders. » Board has a formal process in place to obtain feedback from stakeholders without filters by the staff; the board ensures that the results from the stakeholder feedback are used to inform strategy and resource allocation.
<p>Improve board performance</p>	<ul style="list-style-type: none"> » Goal setting for the board as a follow-on to strategic planning » Evaluation of board performance against goals » Process for evaluating individual directors » Developing a plan for improving board performance over time 	<ul style="list-style-type: none"> » Board translates the strategic plan for the organization into a set of concrete goals for the board and board committees, including timelines and required staff support. » Board evaluates its performance against the goals and uses the lessons learned to develop plans to improve board effectiveness. » Board committee in place to evaluate individual director performance periodically and jointly discusses how to help a director give his/her best to the organization; little collective tolerance for directors who are not active in organization governance and support. » Formal process (e.g., annual self-assessment) results in a clear plan for improvement; the board collectively owns the topic of improving its value to the organization.

ENABLERS	KEY INDICATORS	DESCRIPTIVE BEHAVIORS
<p>Composition</p>	<ul style="list-style-type: none"> » Understanding of board composition needed to meet organizational goals » Process and criteria for recruitment » Diversity on the board » The orientation of new members » Term limits 	<ul style="list-style-type: none"> » A systematic process for identifying needed board skills driven by the strategic plan; gaps are understood and agreed to by the entire board; most new board members seem to “fit our needs well.” » A formal process with clear evaluative criteria in place; whole board reaches out to potential members from an extensive range sources; the recruitment process is continuous and with the multi-year horizon; new members are seen as great additions to the board. » Board understands types of diversity needed for the organization and the value of diversity; current diversity on the board adequately reflects the diversity needed. » Formal orientation process covers key topics (mission, organization, finances, responsibilities of directors); committee assignments are welcomed by new directors who quickly become productive members of the board. » Term limits effectively balance: Need for new members/skills; Retention of valuable directors; Mechanisms are in place for ensuring the continued involvement of high-performing retiring board members.
<p>Leadership (board chair and committee leaders)</p>	<ul style="list-style-type: none"> » Process for deciding who leads and for how long » Succession planning and development of board leaders » Quality of leadership relationship with CEO/ key staff » Effectiveness of board leadership 	<ul style="list-style-type: none"> » A clear, well-understood, and accepted process is in place to select and transition board and committee leadership. Board leadership decisions are seen to strengthen the performance of the institution. » Process in place to identify and develop board leaders; committee assignments rotated to give board members experience and opportunity to lead; board is seen to have a rich set of future leaders. » Board leadership has a productive, healthy working relationship with the CEO and key staff. » Current board leadership has the necessary skills, enthusiasm, energy, and time to provide leadership to the board.
<p>Processes</p>	<ul style="list-style-type: none"> » Quality of preparation » Effective meeting processes » Fun and Passion 	<ul style="list-style-type: none"> » Calendar of meetings set and distributed for the year; agenda for the individual meetings sent out ahead of time with an indication of expected focus/ high impact areas for board consideration; board receives quality background materials well in advance of meetings and arrive prepared. » Meetings start and end on time and time is managed to ensure board discussion on all essential topics; minimal ‘show and tell’ by the CEO/staff; most time dedicated to board discussion and debate on important issues. Board members feel involved and their contributions valued. » Board interactions are productive and enjoyable; a good mixture of work and fun activities including practical efforts to connect board members to the mission (e.g., site visits); board members hate to miss meetings.