BoardSource
NONPROFIT GOVERNANCE INDEX 2010

BOARDSOURCE®
Building Effective Nonprofit Boards

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FOUNDATION

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BOARD GOVERNANCE PRACTICES

What Does It All Add Up To?

The role of the board is one of the distinguishing features of nonprofit organizations. But, governance is not easy. Nor is it static. The *BoardSource Nonprofit Governance Index 2010* updates baseline data about board practices in the United States. Since BoardSource began collecting this information in 1994, growing attention has been paid to good governance policies and practices, especially in the last decade. Since we last conducted this survey in 2007, two notable factors have shaped board service. First, the global recession has taken its toll on nonprofits. Second, the IRS changed reporting requirements on the Form 990. Nonprofit boards stepped up on both accounts, with increased personal giving and adoption of more accountability policies. What has not changed is nonprofit leaders' profound passion for their organizations and the continued quest for better boards.

Frequently Asked Questions...Without Easy Answers

The *BoardSource Nonprofit Governance Index 2010* is a rare opportunity to peer behind the curtains of boardrooms across the United States and listen to a variety of voices from 1,758 nonprofit leaders as they share their experience and perspectives on organizational challenges, governance practices, and board performance. At BoardSource, we are often asked questions that do not have easy answers:

1. **What size should our board be?** Our research reveals a "sweet spot" in boards that have 15 – 22 members. Our experience in thousands of boardrooms affirms that smaller boards are preferable. But, we also recognize that board size is strongly rooted in tradition, that fundraising needs may call for larger boards, and that the desire to involve community leaders may encourage boards to increase board size. For more insights about board size, see page 18.

2. **How much should board members give?** For a small community-based social service agency, a personal gift of $100 might be a stretch. For a large nationally renowned performing arts center, the minimum gift may be $50,000. Relevant answers are better found through targeted queries of comparable organizations. It is a common practice that the first measure of board giving should be 100% participation, and the second is the expectation of a personally significant or stretch gift for all board members. For other data on board members and fundraising, see page 12.

3. **What does a diverse board look like?** We examined three demographic characteristics — race/ethnicity, gender, and age. We recognize that diversity is and should be broadly defined in the context of each organization and its community. Kudos to the senior citizens advocacy group that seeks 40-somethings and the Jewish federation that has Catholic board members. For a profile of nonprofit board demographics, see page 27.

4. **How often should we have board meetings?** In a quest for efficiency — time constraints, distance traveled, costs, etc. — nonprofit boards often want to reduce the number of meetings. But, they need to balance that with the real governance work that must be done. This requires looking at not just the frequency of meetings but also the meeting length, agendas, and materials. For more perspective on meetings, see page 22.

5. **What committees should we have?** Committees are often considered the workhorses of the board, but some are being put out to pasture. Over the last 15 years, nonprofits have reduced the number of committees and retained those that focus on core board functions — finances, board self-management, and fundraising. Then, following the principle that form should follow function, they add ad hoc task forces to address critical issues at hand. For more information about committee structures, see page 24.

The age-old response of "it depends" has real merit — for certain board practices and policies — in a sector as diverse as ours. One dimension should be non-negotiable — board performance. While 85% of chief executives and board members describe their boards as effective, only 33% rate them as very effective. Is that acceptable for the governing body that has the ultimate authority and accountability for the organization? What if more board members were better informed and, in turn, more deeply engaged? Imagine what we could accomplish.

INTERPRETING THE RESULTS

Since it was founded in 1988, BoardSource has received thousands of inquiries from nonprofit leaders interested in comparing their boards to the "norm." Few answers apply universally. The results of the *BoardSource Nonprofit Governance Index 2010,* the sixth such study by BoardSource, reveal patterns and tendencies in nonprofit governance. Common practices, however, are not necessarily best practices, nor should they be interpreted as ideal examples to be adopted by every board. This study is a snapshot of board practices, i.e., a census of what nonprofit boards are doing today. Boards that wish to perform above the average should seek to exceed many of these practices.

This snapshot of board practices is based on responses from 978 chief executives and 780 board members who completed two different surveys (see Appendix 1 for information about survey methodology). Participants were selected from the BoardSource membership, and they serve a broad spectrum of organizations that are well distributed geographically and come from all 50 states, the District of Columbia, and the Virgin Islands. 3% have their primary office outside the U.S., with Canada being the second most common country. 8% of the participating organizations are international in scope and may or may not have their main office in the U.S. Respondents across types of organizations, budget size, and mission areas are well represented. They are not, however, a statistically weighted, representative sample of the nonprofit sector.

Throughout this report, references to percentages of chief executives, boards, and organizations refer only to survey respondents, not to all nonprofits. Furthermore, the results of the survey do not show causation; rather they indicate an association between practices (for example, chief executives who have regular performance reviews are more satisfied with their jobs).

Throughout this report, we refer to **organizations** as small, medium, and large based on their annual budget size. Unless specified otherwise, *small* refers to organizations with budgets of less than $1 million, *medium* to organizations with budgets from $1 million to $9.9 million, and *large* to organizations with budgets budgets of $10 million or greater. Likewise, we refer to boards as small, medium, and large based on the number of voting members on the board. Based on the data, we define *small* boards as those with 14 or fewer members, *medium* boards as those with 15 to 22 members, and *large* boards as those with 23 or more members. We also note differences based on **type of organization**, as self-reported by respondents — *charities,* trade *associations* and professional societies, and private (including family) and community *foundations*. (See Appendix 2 for a profile of the organizations and individuals who responded and Appendix 3 for a comparison of key board practices by budget size and type of organization.)

BOARD ROLES AND RESPONSIBILITIES

BOARD PERFORMANCE

NOT YET AT ITS PEAK

Ultimately, nonprofit boards have authority over the organizations they govern and are accountable for their performance. In practice, boards have three fundamental roles: setting direction, ensuring the organization has adequate resources, and providing oversight. When asked to give their boards a letter grade, chief executives and board members generally agree that board performance is not at the top of the class.

REPORT CARD: BOARD GRADE POINT AVERAGES (GPAs)

	Chief Executive	Board Members
Understanding organization's mission	3.33	3.65
Financial oversight	3.15	3.36
Legal and ethical oversight	2.97	3.19
Providing guidance and support to the chief executive	2.86	3.24
Level of commitment and involvement	2.81	3.04
Knowledge of organization's programs	2.76	3.12
Evaluating the chief executive	2.75	3.06
Understanding board responsibilities	2.72	2.97
Monitoring organizational performance	2.61	2.87
Strategic planning and thinking	2.56	2.94
Recruiting new board members	2.16	2.62
Community relations and outreach	2.04	2.70
Increasing board diversity	1.98	2.39
Fundraising	1.29	2.25

Key: A = 4, B = 3, C = 2, D = 1, F = 0

"The board's effectiveness is directly related to the level of the chief executive's engagement with the board. Despite having exceptional and professional leaders serving on the board, the chief executive has been critical to ensuring that all board activities, including committee work, are successful."

— *Board Member*

REPORT CARD FOR 10 BASIC BOARD RESPONSIBILITIES*

Responsibility	A/B
Mission	84%
Financial Oversight	79%
Legal/Ethical Oversight	72%
CEO Support	69%
CEO Evaluation	68%
Monitor Performance	61%
Strategy	55%
Recruitment	35%
Community Relations	32%
Fundraising	16%

■ A / B   ■ C or below
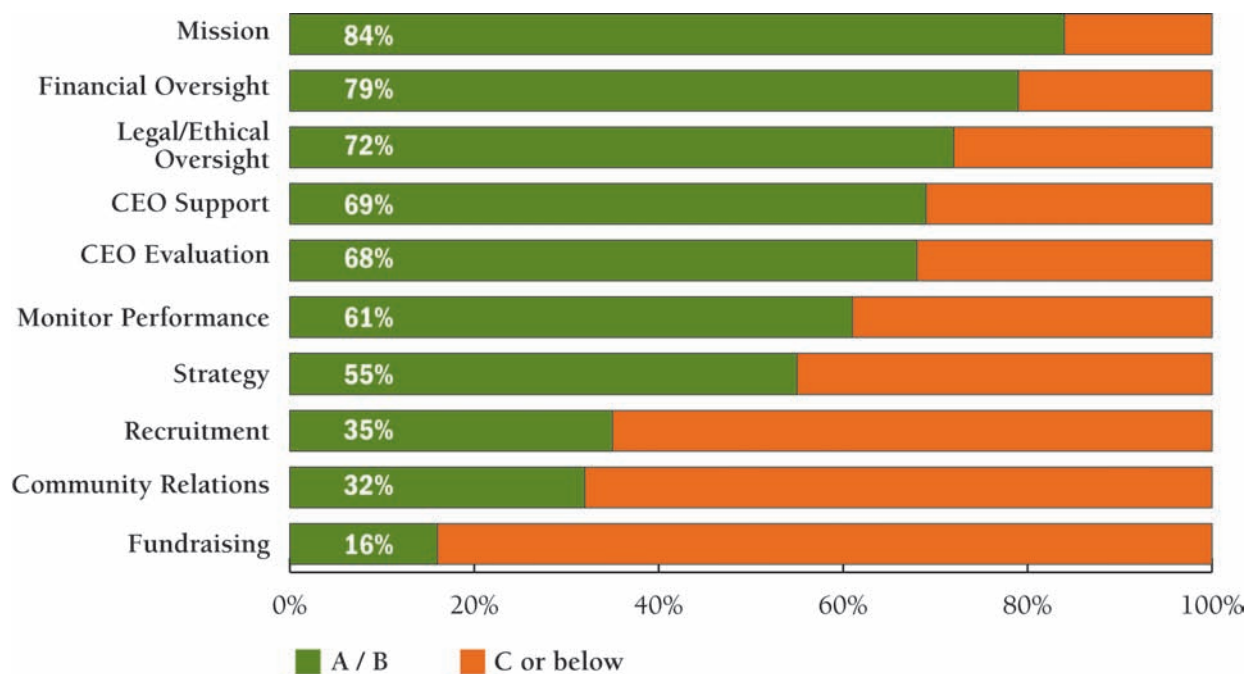
BENEFITS OF AN INFORMED BOARD

■ Well informed   ■ Somewhat or not well informed
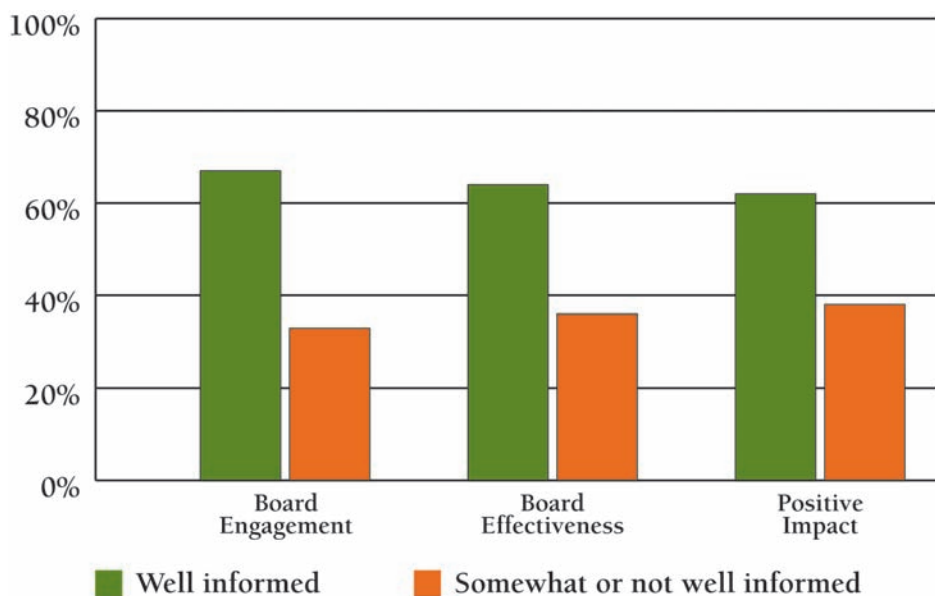
* As reported by chief executives

Most Important Areas for Board Improvement

	Chief Executive	Board
Fundraising	53%	54%
Strategic planning	34%	37%
Focus (more strategic, less operational)	31%	27%
Board composition and diversity	30%	24%
Board member commitment, engagement, attendance	27%	28%
Board self-assessment	27%	17%
Board recruitment	27%	27%
Board development/orientation	25%	23%

THE NUMBERS	BEHIND THE NUMBERS
Overall board GPA: Chief executives 2.57 Board members 2.96	Chief executives give their boards a C+ and board members give themselves a B. Not surprisingly, board members rate the board higher than do chief executives, with the greatest differences being in fundraising and community outreach.
56% of boards are well informed of their legal and governance responsibilities.	Just over half — 58% of chief executives and 56% of board members — think their boards are well informed about their responsibilities. Boards of large organizations (71%) and foundations (68%) tend to be better informed of these duties. Boards that are better informed are also described as more engaged and more effective.
77% of boards have a structured, in-person orientation.	There should be no excuse for not orienting new members to the organization and the board. 90% of boards that had an orientation were rated as somewhat or very effective, compared to only 67% of boards that did not. However, the quality of orientation could be improved. Roughly one-third of chief executives and board members do not feel that the orientation process is effective and gets board members "up-to-speed" quickly.
60% of boards have conducted a formal, written board evaluation.	30% of boards have assessed their own performance within the last 12 months, another 20% within the last one to three years, and 10% more than three years ago. Of the boards that did a formal evaluation in the last three years, 66% were rated as very effective by their chief executives. Of the 33% of boards that have never done a formal board evaluation, 58% were rated as ineffective.

STRENGTHS AND WEAKNESSES: Areas of traditional board strength include understanding the mission, providing fiduciary oversight, and board–chief executive relations. Areas of perennial board weakness — with more than two-thirds of boards receiving a C, D, or F from the chief executive — include fundraising, community relations, and board recruitment. These findings affirm results from the 250 nonprofit organizations (representing 5,000 board members) that used the BoardSource *Board Self-Assessment* between March 2009 and August 2010.

INFORMATION + ENGAGEMENT ⇨ EFFECTIVENESS + IMPACT: The findings validate the intuitive expectation that a board that is well informed about its responsibilities is more engaged, more effective, and has a more positive impact on the organization. 30% of the chief executives described their board as having a "very positive impact" on the organization's performance and 53% also described their boards as "very well informed."

EDUCATIONAL OPPORTUNITIES AND OBSTACLES: Board members come to the table with passion for the mission but aren't necessarily born knowing how to govern. Certainly nonprofits have a variety of board development resources available. The biggest obstacle to board education, however, remains time. During the past year, a majority of boards were given opportunities to attend conferences and seminars (64%); provided resources, such as books, webinars, and online courses (61%); engaged a consultant (54%); and invited outside speakers to meetings (49%). In the quest for board development, however, 70% of chief executives reported that lack of time was the greatest impediment, followed by lack of money (40%) and lack of board interest (39%).

STRATEGY
THINKING *AND* PLANNING THROUGH CHALLENGES AND CHANGE

When asked to tell us about the two most pressing challenges confronting their organizations, more than 40% of the chief executives were emphatic: Funding/financial sustainability is the biggest challenge, with respondents often writing just two poignant words: "financial stability" or even more simply, "the economy."

The tone of comments from chief executives ranged from worried ("keeping the doors open," "funding cut for four years in a row and state contract ending midyear") to more optimistic ("sustainability during turbulent economy" and "we'll be fine when things settle down, but we're still grasping during the turbulence").

When we combined chief executives who cited something related to finances with the 20% who specifically mentioned fundraising as their biggest challenge, we come up with a whopping 60% who described their biggest challenge in a way that relates to money or the lack of it. It is obvious that money is topmost on the minds of many chief executives.

"We are at a strategic crossroads. The board is being asked to make a fundamental decision about our role in accomplishing our mission. It is really our only challenge right now — but it's huge."

— Chief Executive

We offer a sprinkling of comments that echo the voices of many nonprofit chief executives:

- "Funding threats on the horizon are major."
- "Need for services has increased due to the recession...a jobless recovery means no recovery for the families we serve."
- "Dealing with cash flow issues due to heavy reliance on state funding and the inability of the state to pay on a regular basis."
- "My organization is 60% reliant on return from the endowment, which took a beating in the recession and has not recovered."
- "We have not been able to provide increased wages in two years."
- "We are now switching from surviving back to thriving. We need to add back the resources to continue the growth curve we had before the recession hit."

Many chief executives who didn't mention financial issues/sustainability as their biggest challenge mentioned it as the second biggest challenge. After financial issues, the next biggest challenge mentioned by many chief executives revolved around board-related issues, such as board development, engagement, effectiveness, or dysfunctional behavior. The second tier of challenges also included some of the usual contenders: strategic planning, more competitive environment, retaining quality staff, chief executive turnover, and lack of succession planning.

Board and chief executives that continue, together, to look ahead and plan will be better positioned for what the future brings and more able to adapt to its challenges. Strategic thinking and planning, difficult under the best of circumstances, are especially daunting during tough times, and the results reflected those challenges.

SIGNIFICANT CHANGES IN PAST TWO YEARS

56%	Launched a major initiative/expansion
45%	Completed a new strategic plan
41%	Cut or froze salaries
29%	Cut staff
28%	Dipped into reserves/endowment
26%	Downsized operations/reduced services

"I believe our center is run very well. Our biggest problem is raising the money we need now — because of the economy — to best serve the people who use our center. Because of the economy, we are busier than ever. We have grown by 34% this year."

— Chief Executive

STRATEGIC PLANNING PRACTICES

100%	Have a written mission statement
83%	Have a written strategic plan
82%	Have a written vision statement
45%	Completed a new strategic plan in the past two years

THE NUMBERS	BEHIND THE NUMBERS
41% of organizations reduced or froze salaries.	Nonprofit staff was hit hard in the last two years. 41% of organizations reduced or froze salaries, and 18% scaled back employee benefits. Nearly a third had to go further — 29% of organizations cut staff.
83% of organizations have a written strategic plan.	Strategic planning is alive and well in the nonprofit sector. The percentage of organizations with a written plan increased from 79% in 2007 to 83% in 2010. In fact, 45% of nonprofits completed a new strategic plan in the last two years, the same percentage as in 2007.
Strategy GPA: Chief executives 2.56 Board members 2.94	Strategic planning and thinking are given a C+ by chief executives and a B- by board members. While most boards understand the organization's mission, they are not as well-grounded in the other prerequisites for strategic thinking and planning: program knowledge and organizational performance. They could also do more to incorporate strategic thinking into board meetings. On average, 34% of board meetings are devoted to issues of strategy and policy.

FOCUS ON THE FUTURE: Strategic planning remains a perennial second, after fundraising, on the list of priorities for board improvement, garnering mention from 34% of chief executives and 37% of board members. It was followed closely by focus, with 31% of chief executives and 27% of board members wanting a more strategic, less operational focus in the boardroom.

STRATEGY-ENGAGEMENT CONNECTION: Boards that are more engaged spend more time on strategic thinking and discussion. Chief executives who strongly agreed that a majority of board members are actively engaged report that 43% of time at typical board meetings is spent on strategic thinking and discussion. Chief executives who don't see their board members as engaged report that they spend 31% of time on strategic discussion.

LEANER ORGANIZATIONS: In the past two years, 56% of organizations launched a major initiative. For some organizations, however, it was a time for scaling back. In 2010, 26% of organizations report downsizing operations, compared to 10% in 2007. 15% drastically altered ways of delivering services, 15% (up from 6% in 2007) merged or combined forces with another organization, and 14% outsourced activities.

FUNDRAISING

SIGNS OF PROGRESS

Year after year, nonprofit leaders identify fundraising as their board's greatest weakness and most important priority for board improvement. Fundraising is embedded in expectations for most boards. Overall, 79% of the organizations that responded conduct fundraising — more specifically, 88% of charities, 59% of foundations, and 39% of associations. The percentages reported below are only for those organizations that engage in fundraising.

ORGANIZATIONS WITH FUNDRAISING REQUIREMENTS OF BOARD MEMBERS

42%	Solicit funds
58%	Identify donors
60%	Attend fundraising events
71%	Make a personal contribution

BOARD GIVING REQUIREMENTS AND PARTICIPATION
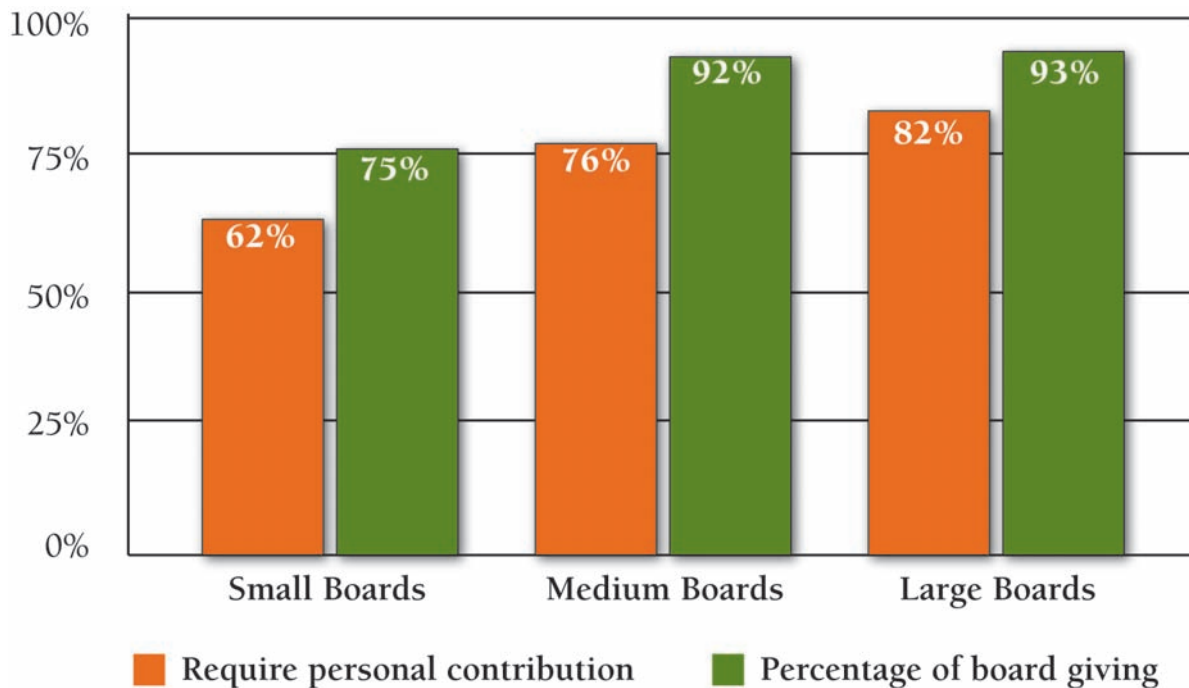
Small Boards: Require personal contribution 62%, Percentage of board giving 75%
Medium Boards: Require personal contribution 76%, Percentage of board giving 92%
Large Boards: Require personal contribution 82%, Percentage of board giving 93%

■ Require personal contribution ■ Percentage of board giving

BOARD MEMBER COMFORT WITH FUNDRAISING*

	Very comfortable	Comfortable	Uncomfortable	Very uncomfortable
Ask for money directly	19%	38%	32%	12%
Call potential donors	20%	39%	32%	8%
Meet potential donors face-to-face	30%	47%	19%	5%
Provide names for letters/calls	33%	46%	15%	6%
Write/sign personal letters	45%	42%	10%	4%

■ Very comfortable ■ Comfortable ■ Uncomfortable ■ Very uncomfortable
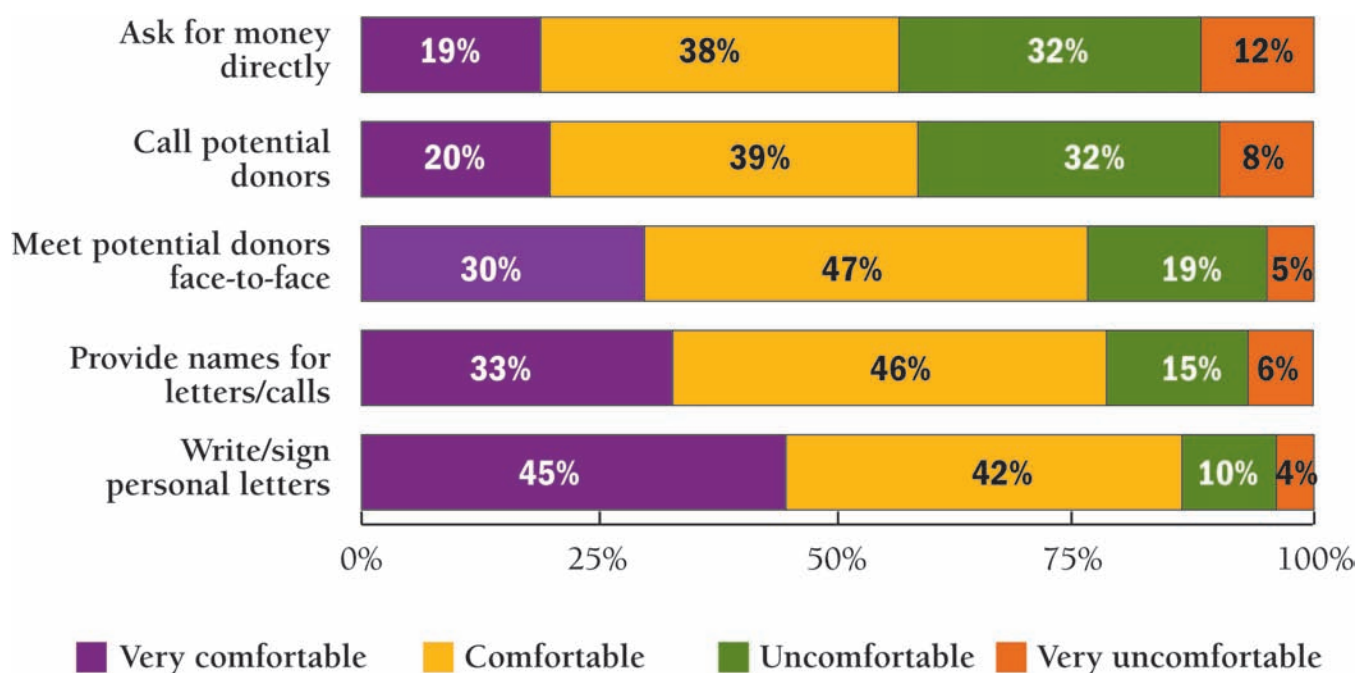
* Because of rounding, sums of individual items may not equal 100%.

THE NUMBERS	BEHIND THE NUMBERS
Boards average 85% participation in giving.	In the midst of a down economy, board members stepped up to the plate. While board member giving is not yet at 100%, it is rising. The percentage of board giving increased from 74% in 2007 to 85% in 2010.
Board fundraising GPA: **Chief executives 1.29** **Board members 2.25**	Board fundraising receives the lowest grade, a D+ from chief executives and C+ from board members. Far and away, it is the single most frequently identified priority for board improvement. It is almost always the lowest rated area of responsibility for BoardSource board self-assessments.
Decreased comfort with fundraising, **from 3.3 to 2.9**	Board members are more comfortable with fundraising the farther they are from the donor. 87% of board members are comfortable writing letters, compared to 57% with asking for money. Comfort with fundraising is declining. Board members express greater discomfort with five common fundraising activities in 2010 than they did in 2007. Board members average comfort level decreased from 3.3 to 2.9 (1 = very uncomfortable and 4 = very comfortable).

CAUSE AND EFFECT: BoardSource's previous *Governance Index* studies surfaced a positive correlation between boards that required personal contributions and a higher percentage of board giving. According to this year's results, small boards are less likely to require board members to make a personal gift and have a lower percentage of board giving. The fundraising mantra of "give and get" begins with personal giving. It is much easier to ask others to support your organization when those closest to it — starting with the board — have dug into their own pockets. Expectations about giving and getting should be explained during the recruitment process and again at orientation.

TIME HAS TOLD: Over time, nonprofits have established clearer fundraising expectations of board members. A decade ago, roughly 50% nonprofit board members were required to make personal gifts, attend events, identify donors, and solicit funds. Today, 70% of boards require a gift and in turn, board giving has increased substantially. In 1999, 55% of organizations that asked for a financial contribution reported more than 75% board participation in giving. Today, 80% of boards that ask for a financial contribution have reached that 75% board-giving level.

CORPORATE SUPPORT: 32% of board members report that their employers provide other support, such as additional contributions, in-kind donations, and advertising or sponsorship to the organizations on whose boards they serve. Only 6% of board members, however, report that employers match their personal contributions.

"Many members balk at being asked to make a financial donation annually, saying that they are donating their time and that should be adequate."
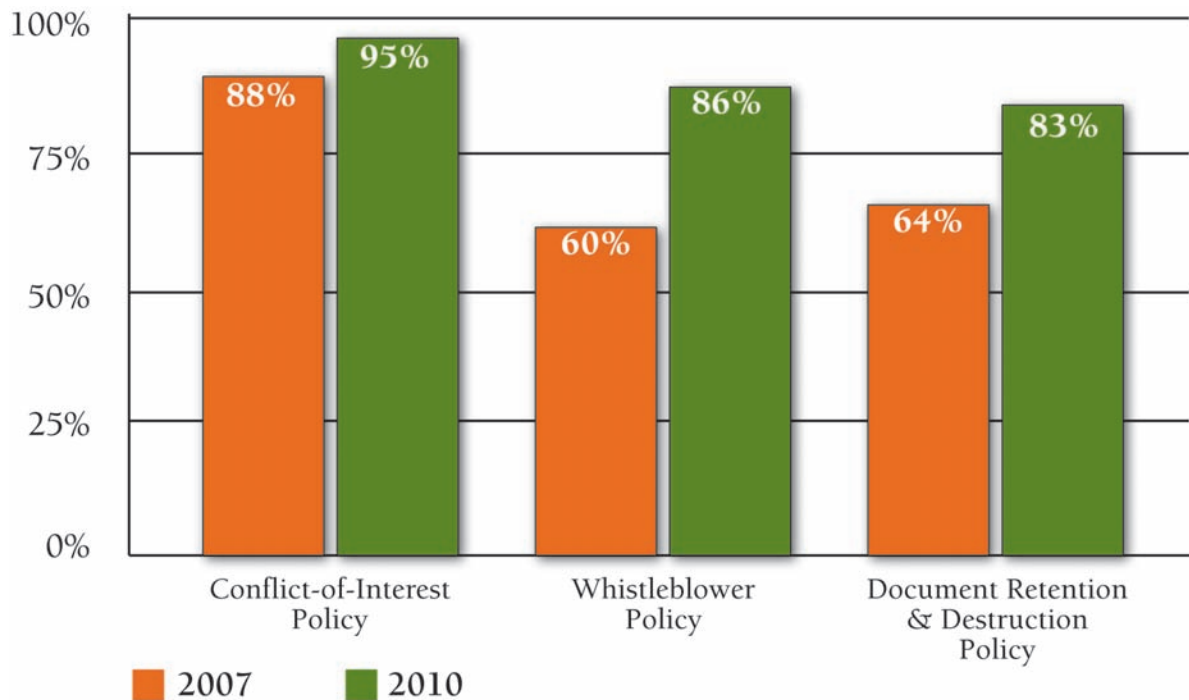
— Board Member

OVERSIGHT
BEYOND THE CHECKED BOXES

Nonprofits have gotten the message. Now that the new IRS Form 990 is in use, more nonprofits have put in place more accountability policies and practices, including conflict-of-interest, whistleblower, and document retention and destruction policies. Good governance, however, requires more than just policies on paper. Board practices that reinforce the spirit of the policies create a strong culture of accountability and transparency.

GOVERNANCE ISSUES ON THE IRS FORM 990

DOCUMENTATION	
99%	Minutes of all board and committee actions
POLICIES	
95%	Written conflict-of-interest policy
87%	Signed conflict-of-interest and annual disclosure statements
86%	Written whistleblower policy
83%	Written document retention and destruction policy
EXECUTIVE EVALUATION AND COMPENSATION	
71%	Formal, written performance evaluation of the chief executive
71%	Comparable data when determining chief executive compensation
70%	Full board approval of chief executive's compensation
IRS FORM 990	
74%	Provide board members with a copy of Form 990 before filing
30%	Post Form 990 to organization's own Web site
54%	Post 990 to another Web site

INCREASED ACCOUNTABILITY POLICIES

Increased Accountability Policies — bar chart comparing 2007 and 2010 percentages.

Policy	2007	2010
Conflict-of-Interest Policy	88%	95%
Whistleblower Policy	60%	86%
Document Retention & Destruction Policy	64%	83%

THE NUMBERS	BEHIND THE NUMBERS
92% of nonprofits hire an auditor to conduct an annual external financial audit.	Nearly all nonprofits have an external, independent audit. Some nonprofits put in place additional checks-and-balances on financial oversight and disclosure. 50% of boards meet as a full board with the auditors. 30% post their financial statements to their Web site, and 27% have a stand-alone audit committee.
95% of nonprofits have a written conflict-of-interest policy.	The number of nonprofits with written conflict-of-interest statements has jumped from 88% in 2007 to 95% in 2010. Likewise, 87% — compared to 67% in 2007 — require annual disclosure statements. In addition, 73% now have a written statement of ethics, compared to 69% in 2007.
Roughly 85% of nonprofits have SOX policies.	Whistleblower and documentation retention and destruction policies emerged out of the Sarbanes-Oxley (SOX) Act of 2002. As of 2010, 86% of nonprofits have whistleblower policies, and 83% have document retention and destruction policies. While these policies are not required by law, they are asked about on the new IRS Form 990, which probably accounts for the notable increase over since 2007, when 60% had a whistleblower policy and 64% had a document retention and destruction policy.
95% of nonprofits carry D&O insurance.	95% of nonprofits carried directors and officers (D&O) liability insurance for the board in 2010, up from 81% in 1999.

FIDUCIARY CONFIDENCE AND COMPETENCE: Financial oversight and legal and ethical oversight were graded second and third highest by chief executives and board members. Aggregate data from the BoardSource Board Self-Assessment echo these findings, with financial oversight at the very top of the list. 85% of chief executives and 90% of board members agree that the board has sufficient financial expertise to monitor the organization's fiscal health.

POLICY PRONE: Not surprisingly, larger organizations are more likely to have accountability policies and practices in place. In particular, 100% of large organizations have an annual audit and a conflict-of-interest policy. They have more at stake, as well as more resources to manage these risks.

COMPENSATION HOMEWORK: Charities are more dutiful about approving executive compensation, with 74% of charities getting full board approval, compared to 64% for associations and 66% for foundations. Larger organizations are more likely to get comparable salary information when setting executive compensation (86% of large, 75% of medium, and 52% of small organizations).

BOARD STRUCTURES AND DYNAMICS

BOARD SIZE AND TERMS

FINDING THE SWEET SPOT

Board size does matter. The "sweet spot" we discovered in the *Nonprofit Governance Index 2007* holds true. Boards that have 15 – 22 members are rated more effective by chief executives and repeatedly report better governance practices. The very structure of board service — size, terms, and officers — shapes board culture and practices in a variety of ways.

LENGTH OF TERMS

CONSECUTIVE TERMS
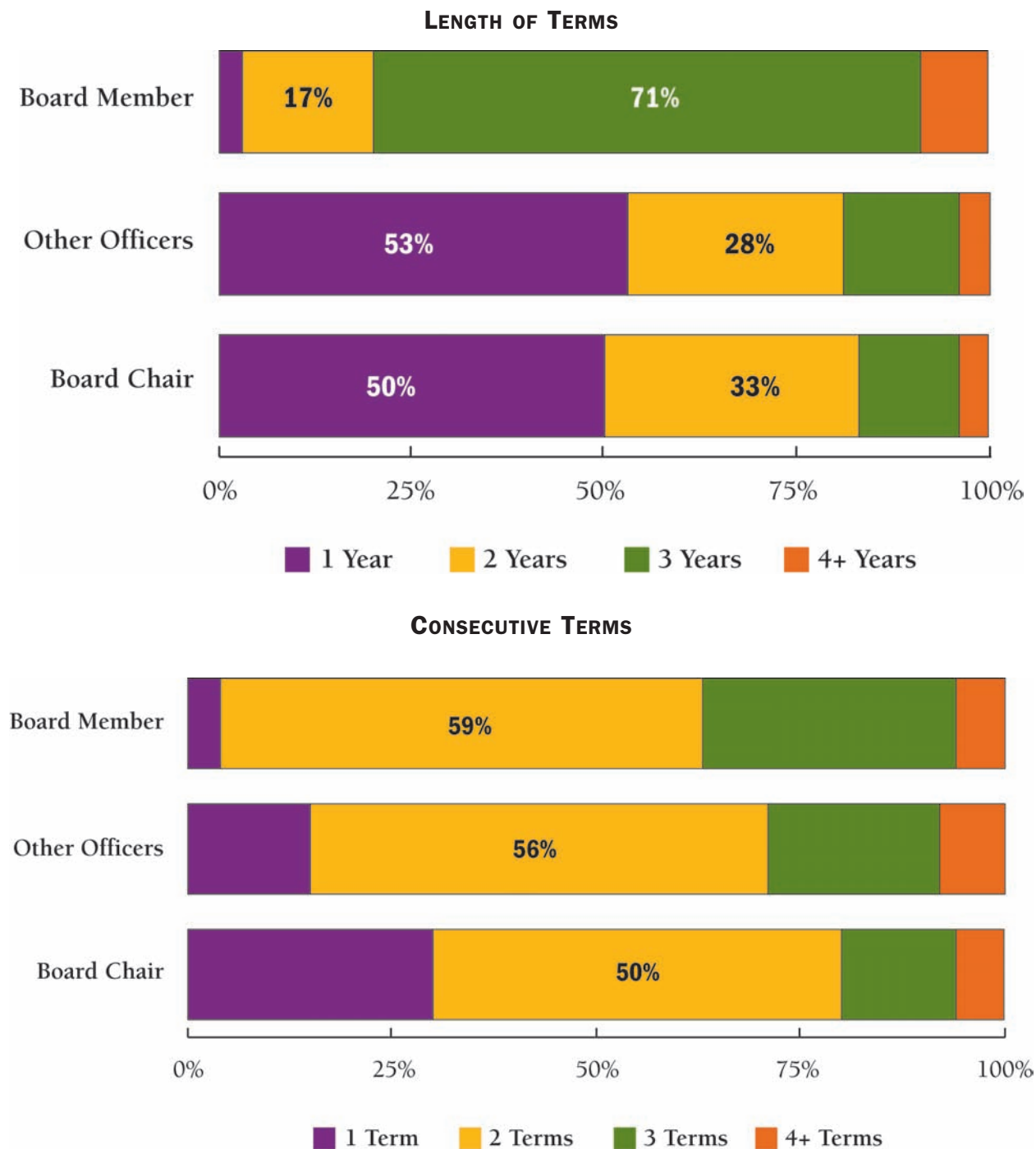
> *"It seems to be difficult to truly engage board members to the extent necessary for their three-year terms. If we had full commitment for those three years, so much could be done."*
>
> *— Board Member*

THE NUMBERS	BEHIND THE NUMBERS
The average board size is 16.	The average board size is 16. In general, the larger the organization, the larger the board. This year's results are the same as in 2007. In the 1990s, the average board size held steady at 19. This past decade, it declined from 17 in 2004 to 16 in 2007 and 2010.
70% of boards have term limits for board members.	Term limits can be helpful in revitalizing boards through planned turnover, and they help force boards to clean out their proverbial deadwood. But, when an exceptional board member comes along, term limits may seem counterproductive. 30% of organizations have no term limits for board members, 33% have none for chairs, and 42% have none for other officers.
The average maximum tenure of a board member is 7.2 years.	On average, maximum tenure of a board member is 7.2 years. The most common board member term structure is two consecutive three-year terms. 71% of boards have three-year terms for board members, and 41% allow board members to serve two consecutive terms.

POTENTIAL PITFALLS FOR LARGER BOARDS: In larger boards, individual shortcomings may be more easily overlooked and performance issues such as spotty attendance may appear to have less of an impact. As board size goes up, attendance goes down. 90% of small boards have average attendance of 75% – 100%, compared to 73% of large boards. Only 29% of large boards are prepared "to a great extent" for meetings, compared to 39% for small and medium boards. 47% of large boards have meetings that allow adequate time "to a great extent" to ask questions, compared to 55% and 58% respectively for medium and small boards.

BOARD–CHIEF EXECUTIVE RELATIONS

BUILDING A PARTNERSHIP

Nonprofit boards and chief executives play complementary, sometimes overlapping roles in strategy, oversight, and outreach. Their collaboration is complicated by their inherently different perspectives. Board members need to remember that it is lonely at the top and that there are, on average, 16 board members to a single chief executive. Chief executives need to remember that they have more direct interaction with the organization's programs and services and more detailed information about operations. Together, they share leadership and responsibility for their organizations.

CHIEF EXECUTIVE PERFORMANCE EVALUATION

69%	Within the past 12 months
11%	Within the past 12 – 24 months
7%	Two or more years ago
13%	Never

BOARD/CHIEF EXECUTIVE RELATIONSHIP
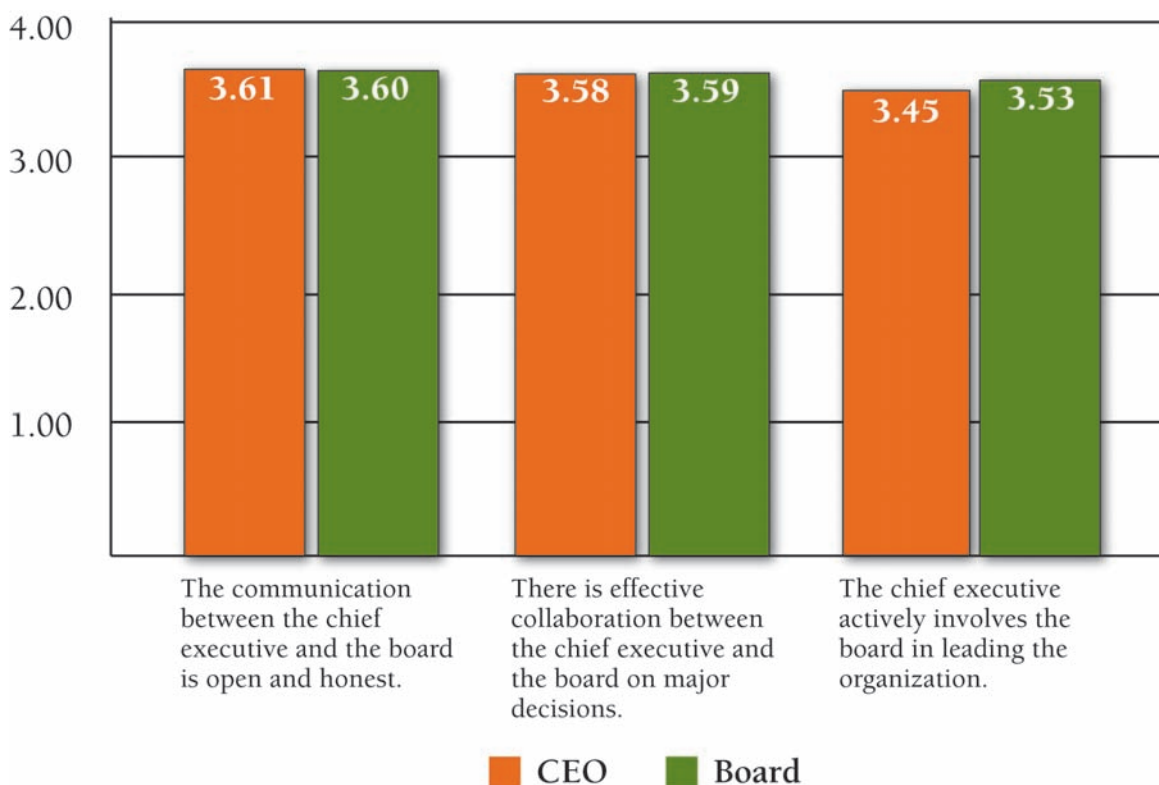
Key: 1 = Strongly disagree, 2 = Disagree, 3 = Agree, 4 = Strongly agree

BOARD CHAIR REPORT CARD

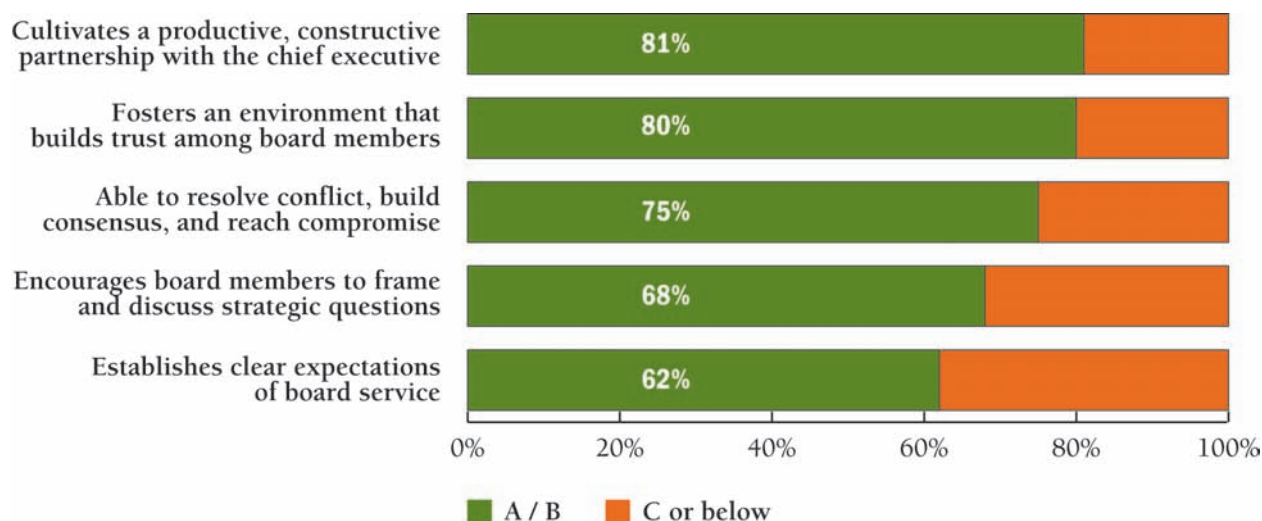| THE NUMBERS	BEHIND THE NUMBERS
69% of chief executives had a performance evaluation in the last 12 months.	The larger the organization, the more likely the chief executive was evaluated in the last year (53% of small, compared to 88% of large, organizations). Of the chief executives who were reviewed, 71% received a formal, written evaluation. The IRS Form 990 now asks questions about how executive compensation is documented, and it is commonly accepted that a performance review is the first step.
65% of chief executives are very satisfied with their jobs.	This number has not changed much since 2007, when it was 62%. In 2007, we also found that chief executives who had a formal performance evaluation were more satisfied with their jobs (88% vs. 78%).
Chief executives gave their board chairs a GPA of 3.0.	Chief executives and board chairs have a close working relationship. When asked to grade their chairs on five indicators of board leadership, chief executives gave them a solid B. The highest rated dimension was a constructive partnership with the chief executive.

DEFINE SUPPORT: 84% of board members give their board an A or B for supporting the chief executive. Chief executives, not surprisingly, see it differently — only 69% give their boards those same top marks. The good news for boards is that, in 2007, only 29% of chief executives were committed to staying in their position. In 2010, not surprisingly given the economic environment, that number is 56%.

MUSICAL CHAIRS: On average, the maximum tenure of a board chair is 3.3 years. 68% of boards have term limits for chairs, with most limiting tenure to two terms. The average tenure of chief executives is 8.2 years. This means that chief executives manage three board chair transitions. Yet, only 56% of chief executives report that they have an effective process in place for officer succession.

CHIEF EXECUTIVE RIGHTS AND TITLES: Chief executives are usually *ex officio* (by virtue of their office) members of the board, and only 15% of chief executives have a vote. In the last 15 years, that number has ranged from 8% to 18%, but it seems to be leveling off at 15%. What's in a name? 52% of nonprofit chief executives use the official title of Executive Director, 21% President and CEO, 14% CEO, and 8% President. Larger organizations are more likely to use the term President and CEO (40% of large, 19% of medium, and 9% of small organizations).

MEETINGS

FOCUS ON QUALITY TIME, NOT QUANTITY

Meetings bring the board together as a collective body and are the most tangible moments of board service. It's not the quantity of time spent in meetings, but rather the quality of that time that is important. Some boards take advantage of useful techniques such as consent agendas and dashboards to streamline meetings and technology to expedite information sharing and board member participation.

MEETING FREQUENCY AND LENGTH

	Meetings/Year		
Hours/Meeting	**≤ 4**	**5 – 9**	**10+**
Fewer than 2 hours	15%	46%	65%
2 – 5 hours	42%	49%	35%
1 day	19%	3%	0%
2 days	20%	2%	0%
More than 2 days	3%	0%	0%

ORGANIZATIONS USING SUCCESSFUL MEETING PRACTICES

55%	Consent agenda
52%	Annual retreat
44%	Tele- or video conferencing
37%	Organizational dashboard
26%	Dedicated board Web site

BOARD MEETING PERCEPTIONS

	Chief Executive	Board Members
Board members receive information necessary to make informed decisions.	3.80	3.71
Meetings are well run and use effective meeting practices, such as clear agendas, good facilitation, and beginning/ending on time.	3.60	3.70
Meetings allow adequate time for board members to ask questions and explore issues.	3.46	3.56
Board members are prepared for board meetings, e.g., read materials in advance, follow up on assignments.	3.26	3.35
Board meetings focus on strategy and policy rather than on operational issues.	3.18	3.20

Key: 1 = Not done, 2 = Small extent, 3 = Some extent, 4 = Great extent

THE NUMBERS	BEHIND THE NUMBERS
On average, a board meets 7.4 times per year.	Boards meet more often now than they did in 2007, 7.4 compared to 6.9 times per year. This may be attributed to extra effort to navigate through the economic challenges. Meeting frequency is related to organizational scope. Local organizations meet 8.7 times per year, state and regional organizations 6.8 times, national organizations 4.6 times, and international organizations 5.7 times.
An average board meeting lasts 3.4 hours.	The length of a typical board meeting is related to the frequency of meetings. 65% of boards that meet 10 or more times per year have meetings that are two hours or shorter. 95% of boards that meet five to nine times per year have meetings that are five hours or fewer. 61% of boards that meet four or fewer times per year have meetings that are two to eight hours.
84% of boards have average board meeting attendance of 75% and higher.	As board size increases, attendance decreases. 52% of small boards have average attendance of 90% – 100%. Associations have better attendance than other nonprofits. 70% of associations have 90% – 100% attendance, compared to 54% of foundations and 34% of public charities.

"We need to change our mode of operation to meet the needs of a new generation and encourage younger members to take leadership roles. This means that many of the founding elders need to learn to give up control of the organization and allow necessary changes to occur."
— *Chief Executive*

MEETING PREPARATION: Only 39% of boards are prepared "to a great extent" for meetings (e.g., read materials in advance, follow up on assignments). It seems that board members are more prepared when the stakes — organizational and personal — are higher. Board members of larger organizations are more prepared, as are board members of smaller boards.

FOCUS: According to chief executives, 38% of meeting time is spent on committee and staff reports, compared to 34% on strategic thinking and discussion. Boards that spent more time on strategy and policy were rated as more effective. Not surprisingly, boards of larger organizations focus more on strategy and policy. Two meeting tricks-of-the-trade can help boards work at the strategic level. First, 55% of boards use a consent agenda, which combines routine matters into a single item that can be voted on together without further discussion. Second, only 37% of boards use a dashboard report, which graphically displays organizational performance to date against goals.

TIME COMMITMENT: Board work — in and between meetings — consumes a considerable amount of time from paid and volunteer leaders. Chief executives spend 22 hours per month, on average, on board and committee work. The larger the board, the more time they spend (21 hours for small boards compared to 27 hours for large boards). Board chairs spend 19 hours, and other board members spend 10 hours.

COMMITTEES

MIXED REVIEWS

Committees can be a help or a hindrance to a board. When working well, they support the work of the board and provide board members with a way to dive more deeply into the strategic issues affecting the organization. Or, committee effectiveness can be diminished by a lack of board member participation and frustrating for staff to support. For some organizations, committees serve as a way to leverage functional support in the absence of staff expertise. Successful committees require clarity of purpose, coordination, and strong communication with staff.

MOST COMMON COMMITTEES

83%	Governance/Nominating
83%	Finance (including Finance & Audit)
78%	Executive
55%	Fundraising/Development
27%	Audit
27%	Program
26%	Marketing/Communications/PR

FREQUENCY OF EXECUTIVE COMMITTEE MEETINGS

Rarely or never

More than board

10%

24%

As needed

32%

26%

8%

As often as board

Less than board

THE NUMBERS	BEHIND THE NUMBERS
Boards have an average of 5.6 committees.	The average number of committees has remained constant. Large boards and associations tend to have more committees, 7.3 and 7.0 respectively. The most common committees focus on core governance functions — board self-management, financial oversight, and fundraising. And, 77% of nonprofit boards have written charters or job descriptions for committees.
78% of boards have an executive committee.	Many boards delegate certain powers to an executive committee to act on behalf of the board between meetings. Of the 78% of boards that have an executive committee, 59% of the executive committees meet regularly.
27% of boards have a separate audit committee.	In the spirit of the Sarbanes-Oxley Act and for an additional check-and-balance, some boards separate the finance and audit oversight functions. 44% of nonprofits report a combined finance/audit committee, 38% a finance committee, and 27% a stand-alone audit committee. Only 12% of organizations have an investment committee, mostly foundations and large organizations.

COMMITTEE CONCERNS: 52% of chief executives and 63% of board members describe their committees as working well. 36% of chief executives describe a mix of effective and ineffective committees, and 8% said their committee structure was not working well. When asked to explain what was not working, chief executives pointed to a lack of attendance at committee meetings, unclear committee assignments, and small boards with not enough board members to go around. Nearly a third of the chief executives described a committee restructuring process that was under way.

WHOSE COMMITTEES WORK WELL? Committees are especially productive — meaning they work well and support the board — for large organizations and large boards. 59% of chief executives with large boards described their committees as working well, compared to 48% of those with small boards. For large boards, committees may be a useful way to break into smaller work groups. Similarly, 71% of chief executives of large organizations described their committees as working well, compared to 37% of chief executives of small organizations.

ENTRY POINT FOR BOARD ENGAGEMENT: Committees can be important not just for getting board work accomplished, but also to board member engagement. Of the chief executives who describe their committees as working well, 81% also agree that a majority of the board is engaged. In contrast, over half of the chief executives who describe their committees as not working well also say the board is not engaged.

"While our board works hard, prepares for meetings, fundraises, engages in policy discussions, and the like, they lack true ownership of the work. My greatest frustration is that I am the one driving the committee work, from initiating committee meetings to developing agendas to following up with board members to ensure they follow up on the actions they committed to."
— Chief Executive

BOARD COMPOSITION & RECRUITMENT

DIVERSITY AND INCLUSIVITY

MIND THE GAP

As our society becomes more diverse, boards are recognizing the need to follow suit in order to reflect their communities and to ensure that a multiplicity of voices contribute to the organization. While many types of diversity add value in the boardroom, we have focused on race/ethnicity, age, and gender in this research.

BOARD AND CHIEF EXECUTIVE DEMOGRAPHICS

	Board*	Chief Executive
Race/Ethnicity		
Caucasian	84%	88%
African American/Black	8%	4%
Hispanic, Latino, or Spanish	4%	2%
Asian	3%	0.6%
Two or more races	0.7%	6%
American Indian or Alaska Native	1%	0.2%
Native Hawaiian or Pacific Islander	0.2%	.2%
Gender		
Female	48%	64%
Male	52%	36%
Age		
Under 30 years	2%	0.5%
30 – 39 years	12%	6%
40 – 49 years	29%	18%
50 – 64 years	43%	65%
65+ years	14%	10%

* As reported by chief executives.

BOARD DEMOGRAPHICS BY RACE AND ETHNICITY

- African American/Black 8%
- Hispanic, Latino, or Spanish 4%
- 3% Asian
- 0.7% 2+ races
- 1% American Indian or Alaska Native
- 0.2% Native Hawaiian or Pacific Islander
- 84% Caucasian
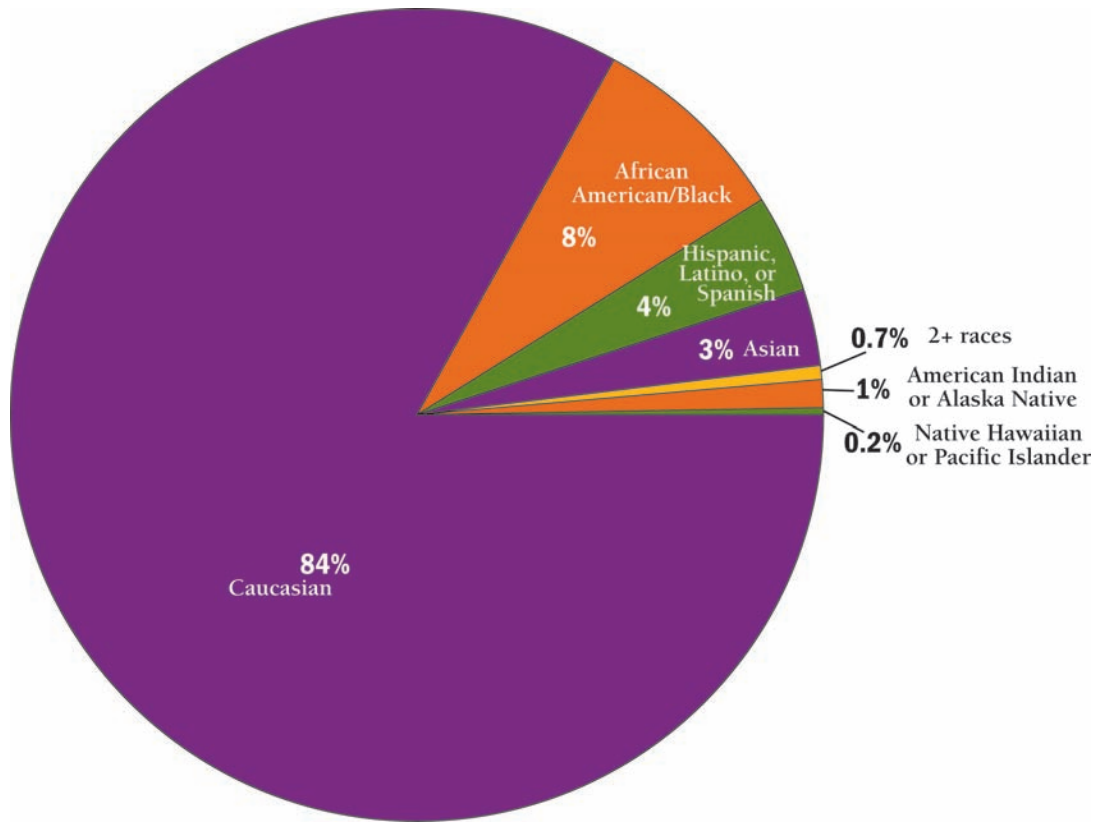
DIVERSITY AND INCLUSIVITY POLICIES AND PRACTICES

63%	Incorporated diversity into the organization's core values
56%	Modified organizational policies and procedures to be more inclusive
41%	Developed a written diversity statement
46%	Conducted diversity training for staff
12%	Conducted diversity training for board members
15%	Developed an action plan for the board to become more inclusive

"Finding people who fit our diversity needs and who have the time to contribute is sometimes hard, especially when it comes to younger and less affluent people who would add a lot to our board. Everyone says ours is the best board they have ever served on, but it takes intelligence and a commitment in time that not everyone has."

— Board Member

CHIEF EXECUTIVE'S PERCEPTION AND PRIORITY OF BOARD DIVERSITY

Bar chart showing percentages for Race/Ethnicity, Age, and Gender:

- Race/Ethnicity: Satisfaction 28%, Value to mission 71%, Priority 55%
- Age: Satisfaction 64%, Value to mission 59%, Priority 30%
- Gender: Satisfaction 67%, Value to mission 47%, Priority 42%

Legend: Satisfaction | Value to mission | Priority
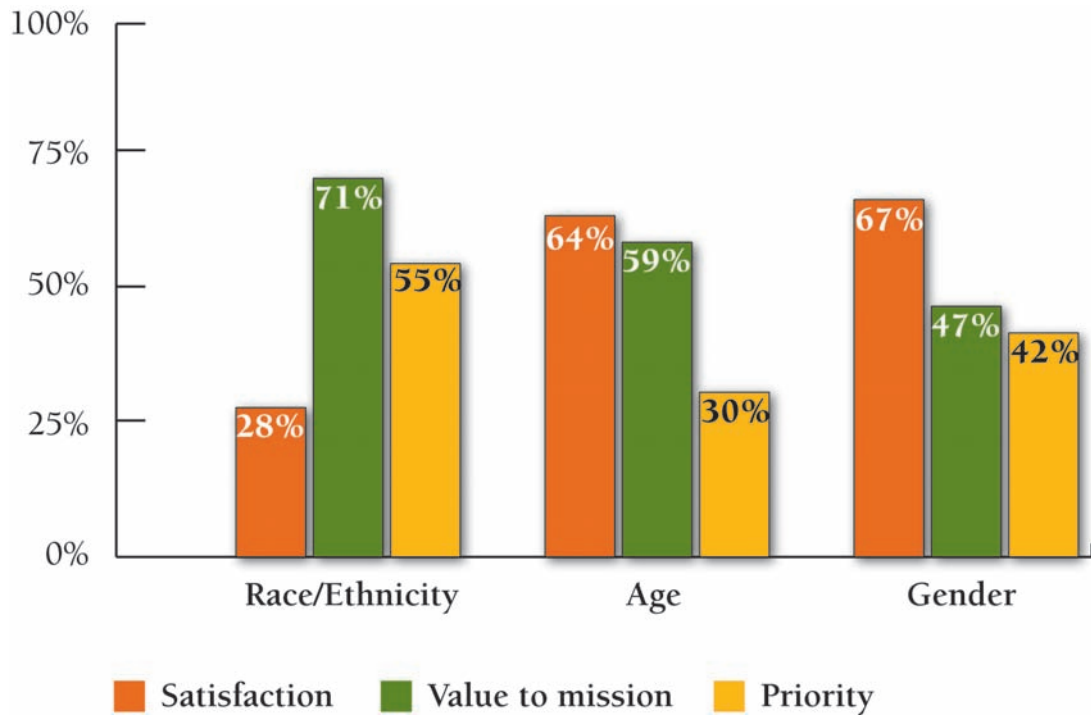
BOARD BEHAVIORS RELATED TO DIVERSITY AND INCLUSIVITY

	Great extent	Some extent	Small extent	Not done
Actively recruited members from diverse backgrounds	19%	37%	25%	19%
Reached consensus about value/benefits of expanding board diversity	20%	32%	21%	26%
Evaluated/modified efforts to reach members with diverse backgrounds	12%	38%	25%	25%
Developed inclusive culture and board dynamics	15%	34%	25%	26%
Discussed ways to identify/address discriminatory or noninclusive behaviors	5%	17%	26%	52%

Legend: Great extent | Some extent | Small extent | Not done

THE NUMBERS	BEHIND THE NUMBERS
84% of board members are Caucasian.	Boards remain predominantly Caucasian, with a small increase in the proportion of people of color (16% in 2010 compared to 14% in 2007). Larger organizations tend to have slightly better board diversity, as do smaller boards. Charities have a slightly higher percentage of people of color on their boards (17%) than foundations (13%) and associations (11%). Charities are more likely to report that expanding diversity is critical to advancing their mission.
41% of board members are 30 – 49 years old.	Boards are getting slightly younger, but change is slow. Compared to 2007, the proportion of 50 – 64 year olds has declined by 5%, while that of those 30 – 49 years old has increased by 6%. The percentage of board members under 30 and over 65 years of age has barely changed.
48% of board members are female.	The percentage of women on boards has increased by 5% since 2007. Larger organizations and larger boards tend to have a smaller percentage of women.
GPA for increasing board diversity: Chief executives: 1.98 Board members: 3.04	Chief executives are noticeably more critical of their board's lack of diversity than board members. On average, 74% of board members, compared to 53% of chief executives, are satisfied with their diversity. Of the three aspects of diversity used in this research, racial/ethnic diversity is seen as more important than age or gender to the organization's ability to advance its mission.

THE CORNER OFFICE: There is a more even gender balance in the boardroom than in the corner office; 48% of board members are women, versus 64% of chief executives. However, while women can clearly excel in the nonprofit sector, the glass ceiling hovers overhead. The larger the organization, the more likely its chief executive is male (53% of large vs. 23% of small organizations).

BIASED BEHAVIOR: Only 6% of chief executives report that board members have talked to them about noninclusive practices or offensive behaviors during board events. And, 23% of chief executives report that, to some or great extent, their boards have discussed ways to address such discriminatory behavior.

INTENTIONS COMPARED TO ACTIONS: Intentions still speak louder than actions when it comes to board practices around diversity and inclusivity. At best, one in five boards has made concerted efforts to increase board diversity.

- 71% of chief executives said a more-diverse board would increase their ability to achieve their mission, but only 20% of boards have reached consensus to a great extent about the value of expanding board diversity. 26% have reached no consensus at all.

"Racial/ethnic diversity — it has proven difficult to find people willing and able to serve the board. Often we've added people to 'hit a quota' only to regret it."

— Board Member

- 19% of boards have actively recruited members (to a great extent) from diverse backgrounds .

- 15% of boards feel they have developed an inclusive culture (to a great extent), while 26% have not done this at all.

- 15% have developed a plan of action for the board to become more inclusive.

- 12% have evaluated and modified recruitment efforts (to a great extent) specifically to reach members with more diverse backgrounds, and 25% have not done this at all.

CULTIVATING BOARD DIVERSITY: Nonprofit boards are still predominantly Caucasian, and chief executives rank board composition and diversity fourth among areas in need of board improvement. As a whole, chief executives are notably less satisfied than board members about board diversity. To get different results, nonprofits need to try different recruiting methods. Some of the least common actions for expanding the candidate pool are the same actions that could lead to developing a more diverse board, such as approaching organizations with access to the desired demographic groups (only 21% of nonprofits do this), publicly posting board openings (16%), and using matching programs (10%).

BOARD RECRUITMENT

HOW TO CAST A WIDER NET

A common refrain among nonprofit leaders is the need to reel in new board members with the time, talent, and treasure to contribute to the organization. During the past few years, this refrain has grown louder. The good news is that nonprofits seem to be better at articulating expectations of board members up front, and board members seem to be taking their board commitments more seriously. The bad news is that boards use the same old recruitment processes but expect different results.

THE RIGHT PEOPLE ON THE BOARD BUS
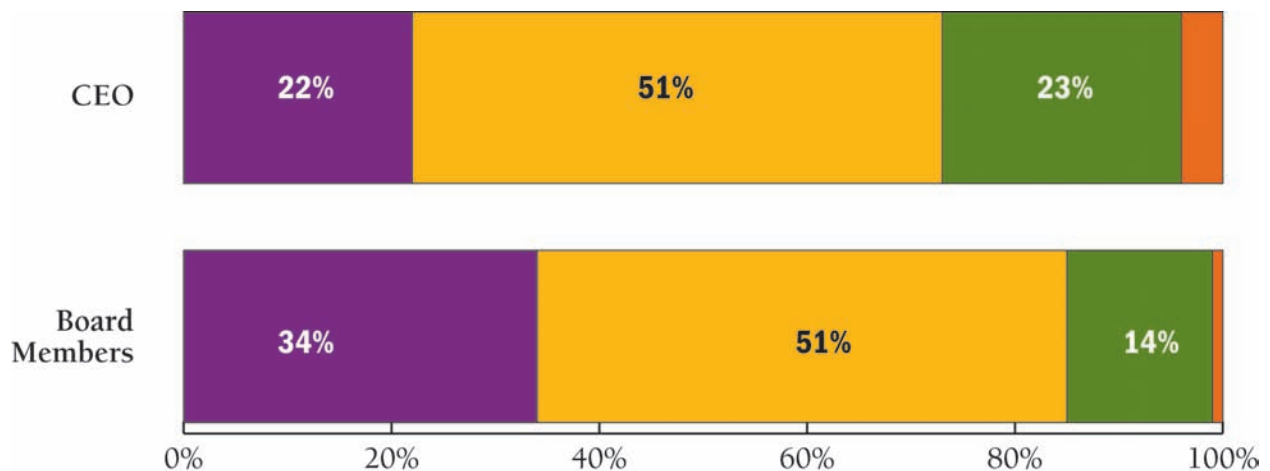
We have the right people to effectively oversee and govern the organization.

■ Strongly agree   ■ Agree   ■ Disagree   ■ Strongly disagree

Top Criteria* for Selecting Board Members
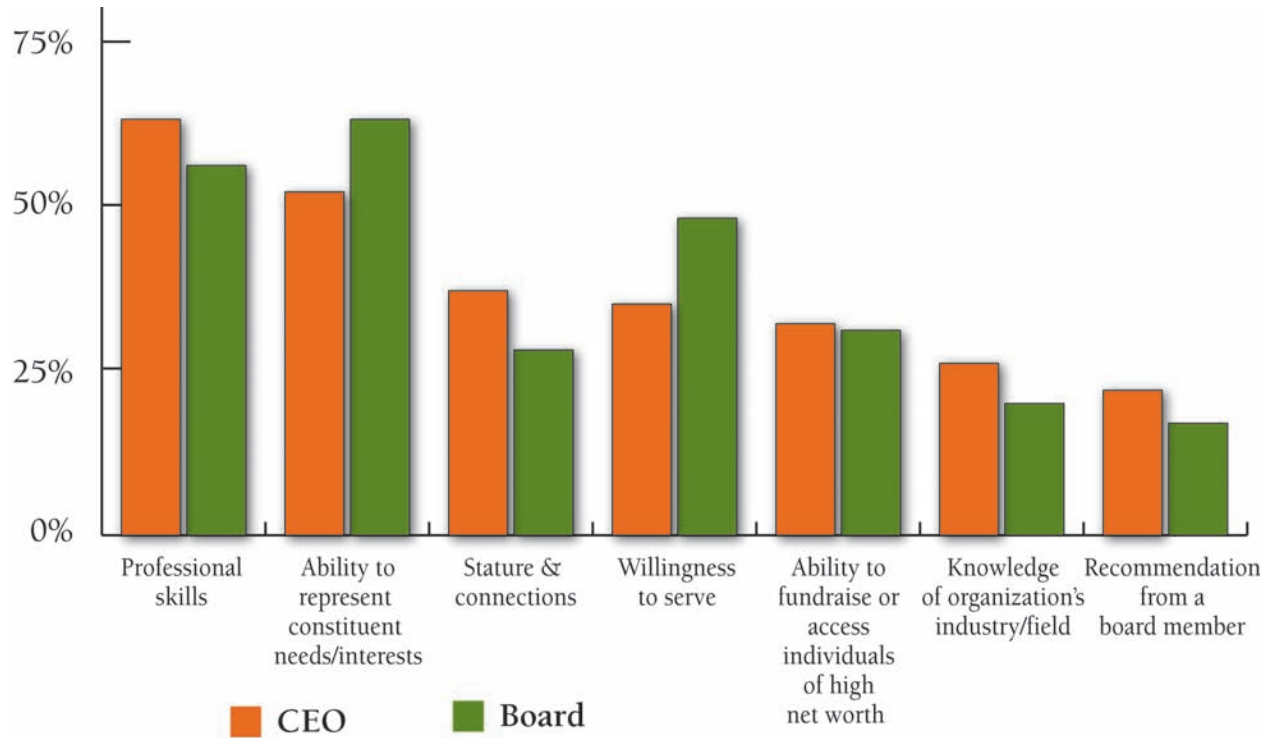
* In addition to passion for the mission

Recruitment Practices in Use

85%	Asked for recommendations from board members
68%	Evaluated board composition via a gap analysis or matrix
65%	Invited non–board members to serve on committees
58%	Cultivated relationships with colleagues or community leaders
36%	Cultivated relationships with corporations or other organizations
21%	Approached organizations with access to desired demographic groups
18%	Participated in or sponsored events, e.g., conferences or community fairs
16%	Publicly posted board openings
10%	Used a board matching program
10%	Other

THE NUMBERS	BEHIND THE NUMBERS
72% of board members are elected by the current board.	These so-called self-perpetuating boards are the standard for charities (81%) and foundations (78%) but not for associations (21%). However, only 22% of chief executives and 34% of board members "strongly agree" that they have the right board members to govern the organization.
On average, board members serve on two nonprofit boards.	There seems to be little overlap between nonprofit and corporate board service. On average, board member respondents serve on 1.95 nonprofit boards, 0.11 corporate boards, and 0.22 private company boards. Board members of large organizations are more likely to serve on other nonprofit boards — an average of 1.86 for small, 1.96 for medium, and 2.21 for large organizations.
44% of organizations find it difficult to recruit board members.	Size matters, along with type of organization, when it comes to recruiting board members. More small nonprofits find recruiting board members difficult than do large ones (50% compared to 39%), as do small boards (56% compared to 26% for large boards). Who finds it "very easy"? 30% of foundations, compared to 17% of associations and 10% of charities.

PRIORITY FROM DIFFERENT PERSPECTIVES: Board members rank board recruitment third in areas that need board improvement and chief executives rank it sixth. Most of the difficulties in board recruitment are rooted in concerns about the commitment required of board members (time and money) and weak processes for board-candidate cultivation. Some boards wrestle with external constraints about who may serve, as well as limited human resources in small communities. Comments about recruiting candidates who would add to board diversity echoed familiar refrains about the difficulty of finding candidates, especially people of color, and about competition for them, since many were sitting on other boards. While the concerns are legitimate, they point to a need for a renewed commitment to expanding board searches and engaging in the hard work of finding, recruiting, and bringing new voices to the boardroom table.

CRITERIA FROM DIFFERENT PERSPECTIVES: As author Jim Collins says, "getting the right people on the bus" is a critical component of going from good to great. The characteristics sought sometimes depend on where you sit on that bus. While chief executives and board members generally share a common sense of the criteria for board recruitment, where they differ is illuminating. Chief executives' highest priority is professional skills, while board members' highest priority is ability to represent constituents. The other notable difference is stature and connections, which chief executives ranked third and board members sixth.

BOARD MEMBERS ARE VOLUNTEERS: Only 3% of nonprofits pay board members an honorarium for their service. However, 26% reimburse board members for travel and other meeting expenses (20% of charities, 38% of foundations, and 55% of associations).

APPENDIX 1

METHODOLOGY

The *BoardSource Nonprofit Governance Index 2010* included two surveys — one for chief executives and one for board members. The chief executive survey contained 66 questions and the board member survey 33 questions. Participants were entitled to select one of four BoardSource toolkits as a thank-you gift for completing the survey.

The survey was sent to 5,175 BoardSource members who were identified in the BoardSource member database by a title of chief executive or something comparable. These individuals were invited, via e-mail, to complete the chief executive survey and were also asked to forward an e-mail to their board chair and an additional board member inviting them to complete the board member survey. Anyone who did not complete the survey after receiving the initial e-mail received a reminder e-mail.

Participants were given the option of completing the survey online or downloading a paper copy and faxing or mailing their completed survey to BoardSource. Fewer than 3% of the participants chose to complete a paper survey. All surveys were completed between June 24 and July 14, 2010, and measured board practices that were current at the time of the survey.

The results presented in this report represent 978 chief executives (an overall response rate of 19%) and 780 board members. The board member responses were split between board chairs (45%), board members (50%), and others (5%). The data for individual questions are based on the number of individuals who answered that question.

This is the sixth edition of the *BoardSource Nonprofit Governance Index.* Previous surveys were conducted in 1994, 1996, 1999, 2004, and 2007. Where possible, we did a generalized trend analysis (rather than a statistical comparison) of questions that were included in previous surveys. When looking at trends, we caution readers to keep in mind that surveys had different sample sizes over the years.

This year's research is based on a sample of nonprofit organizations that were members of BoardSource as of June 2010. Based on other research recently completed by BoardSource, we determined that BoardSource members reflect the overall nonprofit sector and types of organizations whose board practices and attitudes are of interest. The demographic characteristics considered in this conclusion include a cross-section of types of organizations, budget size, geographic location, and mission area.

The report was written by Marla J. Bobowick, senior governance consultant, BoardSource. Rosemary Tenuta, BoardSource's Director of eProducts, served as the project manager and survey administrator. The survey was administered using survey software licensed to BoardSource by enetrix, a Gallup Company. All data were reviewed and cleaned by BoardSource; the statistical analysis was done by enetrix.

APPENDIX 2

PROFILE OF PARTICIPANTS

PROFILE OF ORGANIZATIONS

The respondent pool represents a cross-section of types of organizations, budget size, and mission areas. Participating organizations are well distributed geographically and come from all 50 states, the District of Columbia, and the Virgin Islands. 3% of respondents have their primary office outside the U.S.; Canada is the second most common country. 21% of the participating organizations are international in scope and may or may not have their main office in the U.S.

TYPE OF PARTICIPATING ORGANIZATIONS

78%	Public charity
11%	Trade association or professional society
7%	Foundations
4%	Other

BUDGET SIZE OF PARTICIPATING ORGANIZATIONS

Small	Less than $500,000	18%
	$500,000 to $999,999	13%
Medium	$1 million – $4.9 million	37%
	$5 million – $9.9 million	11%
Large	$10 million – $24.9 million	13%
	$25 million and greater	8%

SCOPE OF PARTICIPATING ORGANIZATIONS

	All	Charities	Associations	Foundations
Local	50%	57%	9%	46%
State and Regional	30%	29%	34%	31%
National	12%	8%	34%	14%
International	8%	6%	24%	10%

MISSION AREAS OF PARTICIPATING ORGANIZATIONS

31%	Human/social services
16%	Health care
0%	School/college/university
7%	Arts and culture
5%	Business/industry
5%	Philanthropy/grantmaking
4%	Youth development
4%	Housing and shelter
4%	Community/economic development
2%	Environment
13%	Other

PROFILES OF INDIVIDUAL RESPONDENTS

Chief Executives

The 978 individuals who responded to the chief executive survey had an average tenure of 8.2 years as chief executive. In 2007, the average respondent chief executive tenure was 7.7 years.

Board Members

The average tenure of the 780 board member respondents is 6.2 years, about the same as 2007, when it was 6.3 years. Board members were asked to base their responses on the board they have served on the longest and to represent only themselves, not their fellow board members. Board member demographics, below, represent the individual respondents' characteristics; board member demographics listed on page 27 are reported by chief executives for their full boards.

DEMOGRAPHICS OF RESPONDENTS

	Chief Executive	Board Members*
Gender		
Female	64%	53%
Male	36%	47%
Race/Ethnicity		
Caucasian	87.9%	90.6%
African American/Black	3.7%	3.7%
Hispanic, Latino, or Spanish	1.6%	2.0%
Asian	0.6%	0.6%
American Indian or Alaska Native	0.2%	0.4%
Native Hawaiian or Pacific Islander	0.2%	0.0%
Two or more races	3.8%	1.6%
Other	2.0%	1.2%
Age		
Under 30 years	0.5%	.2%
30 – 39 years	6%	7%
40 – 49 years	18%	20%
50 – 64 years	65%	49%
65+ years	10%	22%
Average years in that position	**8.2**	**6.2**

* As self-reported by board members

COMPARATIVE BOARD INTELLIGENCE

	Total	Type of Organization			Organizational Budget Size		
		Charity	Association	Foundation	Small (< $1 million)	Medium ($1 million – $9.9 million)	Large ($10+ million)
	(N = 958)[1]	(N = 857)	(N = 125)	(N = 75)	(N = 314)	(N = 506)	(N = 223)
Board Structure							
Average board size	16.1	16.4	16.2	14.5	13.9	16.7	18.1
Average length of a board member term (years)	3.0	3.0	2.8	3.1	2.9	2.9	3.3
Average number of consecutive terms	2.4	2.4	2.2	2.4	2.4	2.3	2.5
Limit on the number of consecutive terms	70%	70%	74%	70%	70%	70%	70%
Board members elected by current board[2]	72%	81%	21%	78%	72%	71%	74%
Chief executive as a voting member of the board	15%	15%	11%	19%	15%	12%	22%
Board Roles & Practices							
Structured, in-person board orientation	77%	78%	71%	81%	69%	79%	86%
Written strategic plan	83%	83%	86%	71%	84%	75%	85%
Require a personal contribution[3]	70%	74%	—	—	74%	70%	66%
Percent of board giving[3]	85%	86%	67%[4]	87%[5]	82%	85%	89%
Formal, written board assessment	60%	62%	53%	61%	51%	61%	74%
Directors and officers liability insurance	95%	95%	94%	93%	89%	97%	93%
Pay board members an honorarium	3%	1%	6%	13%	3%	2%	6%
Reimburse board members for travel expenses	26%	20%	55%	38%	21%	24%	39%
Accountability Policies & Practices							
Annual financial audit	92%	93%	86%	91%	79%	97%	100%
Distribute Form 990 to board before filing	74%	76%	72%	71%	69%	75%	79%
Post Form 990 on own Web site	30%	29%	31%	44%	21%	33%	38%
Written conflict-of-interest policy	95%	96%	91%	93%	91%	96%	100%
Whistleblower policy	86%	87%	84%	74%	71%	90%	97%
Document retention and destruction policy	83%	83%	80%	78%	71%	86%	92%
Formal, written chief executive assessment	71%	72%	68%	63%	62%	73%	78%
Full board approved chief executive compensation	70%	70%	64%	66%	75%	67%	70%
Considered comparable compensation	71%	71%	71%	74%	52%	75%	86%

[1] The sample size differs by question. These are the average sample sizes by category.

[2] This is the percentage of boards that are self-perpetuating, as opposed to elected by members of chapters or appointed by other bodies.

[3] Percentages refer only to organizations that do fundraising: 78% of all participating organizations, 88% of charities, 40% of associations, and 60% of foundations.

[4] Of the 40% of associations that do fundraising, on average 67% of board members made a personal contribution.

[5] Of the 60% of foundations that do fundraising, on average 87% of board members made a personal contribution.

	Total	Type of Organization			Organizational Budget Size		
		Charity	Association	Foundation	Small (< $1 million)	Medium ($1 million – $9.9 million)	Large ($10+ million)
Meetings							
Average number of board meetings/year	7.4	7.7	5.4	6.1	7.7	7.4	7.0
Average number of hours/board meeting	3.4	3.0	6.3	4.2	3.1	3.5	3.9
Boards with 75% or greater attendance	84%	81%	96%	94%	84%	85%	82%
Records/minutes of board and committee actions	99%	99%	99%	99%	98%	99%	100%
Consent agenda	55%	54%	62%	60%	49%	57%	61%
Dashboard report	37%	37%	41%	35%	25%	39%	51%
Annual retreat	52%	54%	44%	44%	52%	50%	56%
Committees							
Written committee charters	77%	78%	77%	77%	70%	79%	84%
Average number of committees	5.6	5.5	7.0	4.9	5.1	5.8	5.8
Executive Committee	78%	80%	75%	73%	73%	80%	82%
Finance/Finance & Audit Committee	83%	84%	79%	76%	74%	85%	89%
Audit (separate from Finance) Committee	27%	27%	27%	35%	12%	29%	46%
Fundraising/Development Committee	55%	63%	na	45%	55%	58%	47%
Board Diversity							
Written diversity statement	41%	45%	28%	30%	36%	40%	52%
Male	52%	50%	56%	54%	50%	49%	60%
Female	48%	50%	44%	46%	50%	51%	40%
Caucasian	84%	83%	89%	87%	87%	82%	84%
People of color	16%	17%	11%	13%	13%	18%	16%
< 40 years	14%	15%	13%	10%	17%	15%	10%
40 - 64 years	72%	71%	78%	69%	70%	73%	72%
65+ years	14%	14%	9%	20%	13%	12%	18%