

Red Flags at the Board Table



Addressing boards, I often discuss these 10 aspects of governance to be sure things are understood and stay on track.

Area of Concern	Notes
1. Mission Drift	The mission statement should frame all discussions. [Mission, Vision, Values = Brand Distinction]. Suggest adding it to every agenda.
2. "But We're NonProfit"	<i>Exempt</i> and <i>Not for Profits</i> are simply designations --- NOT a model for conducting business. Treat the organization as a <i>corporate enterprise</i> and use the business skills board members bring to the table.
3. Micromanaging the Budget	Know the <i>big picture</i> of finances. Don't fret over the \$20 expense. Combine budget and assets to understand the financial picture.
4. Confidentiality	Documents and discussions are to be treated in confidence. Let the staff and chief elected officer craft the messaging --- <i>before</i> you speak for the board. Consider signing a confidentiality statement.
5. Apparent Authority	Do not assume that volunteer leaders all have authority to speak for the organization; there is liability for appearing to represent the org. The chief elected officer is the primary spokesperson and he or she can delegate.
6. Conflicts of Interest	We all have them and they may not be bad; be open to disclosing possible conflicts. Use a disclosure form.
7. Self-Evaluation	Am I fully prepared? Am I doing my best? Assess your own board performance in a confidential discussion amongst directors.
8. Performance Measures	How will we recognize success if we don't set benchmarks? Every organization should rely on metrics. Report on performance with dashboards or scoreboards.
9. Wandering without a Roadmap	The strategic plan should be compelling to members; spanning 3 to 5 years. Longer than 4 pages and it might not be read.
10. Protect the Assets	Be sure insurance and audits mechanisms are in place. Know the size and coverage of D & O.