

## Vetting Nonprofit Board Members

By Matthew Grosh on April 16, 2012

For most nonprofit organizations, the board of directors establishes the policies that allow the organization to carry out its mission. As a result, in a perfect world, every board would be filled with qualified individuals who are passionate about and committed to the organization's mission.

Unfortunately, in the real world, the perfect board does not exist. Achieving and maintaining an effective board is difficult for any organization, but it can be especially tough for nonprofits. I have seen clients end up with apathetic or problematic board members who, for one reason or another, actually hinder their organizations' missions. At times, board meetings devolved into dysfunctional bullying sessions where a few directors put their own interests ahead of those of the organization. The selfish actions of a few directors were so damaging in one instance that the organization was in danger of losing its tax-exempt status.

These cases make it clear that, when recruiting new board members, it is important for nonprofit organizations to implement effective vetting policies and thus minimize the possibility of letting a wolf into the henhouse. Here are a few tips that can help you establish such a policy:

**Job Description.** Adopt a job description for directors that incorporates your mission and clarifies the expectations and duties that the prospective directors will face when they join the board.

**Job Interview.** Treat the process just as you would a job interview. Go over the job description with candidates and ask them why your mission is important to them. This should help you weed out potential board members with self-serving motives. Ask them for references and follow through in checking them. Ask the interviewees how their skills and experience can support your mission.

**Warning Signs.** Asking the following questions can help your organization identify warning signs in potential directors:

- Will the candidate have the ability to exert undue influence over other board members? For example, are they a substantial donor of money or services that the organization relies on? You don't want a board member manipulating other members by dangling a carrot or threatening to take their money elsewhere.
- Does the prospective director work for a nonprofit or serve on a board with a mission similar to yours, or have they done so in the recent past? While it is good to have people with relevant experience, the lean economy over the past few years has forced many nonprofits to compete for income streams. In some cases, boards can be infiltrated by competing nonprofits and revenue sources can be stolen.

- Does the candidate stand to gain any private economic or other benefit from the organization? For example, are they a vendor of the company? This could be a sign of self-interest.
- Have they been on numerous nonprofit boards for relatively short periods of time? This may reveal that the prospective director wore out his welcome on those previous boards.
- This may seem obvious, but are there any indications that the prospective director may have problems getting along with others? It is essential that a board can discuss and debate policy matters in a rational and respectful setting.

**Vetting Committee.** Form a committee that is responsible for overseeing the vetting and recruiting process for your organization. The committee can include non-board members who have skill sets that will help with the process, such as HR and legal experience.

**Test Drive.** Consider conducting a "test drive" of the prospective director by placing them on a committee or asking them to serve on a task force.

In addition to the development of a vetting policy, you should check your organization's bylaws to see how directors can be removed and become familiar with the processes involved. If a prospective director joins the board and in turn causes significant problems for the organization, you will want to be sure the other board members can carry out a relatively quick removal of that director. This should allow you to limit the damage and potentially protect the tax-exempt status of your organization.

For many nonprofits the make-up of the board of directors can have a significant effect on the success of the organization. If you have concerns regarding the effectiveness of your current policies or you know that your policies are in need of updating, you may wish to consult with an attorney familiar with nonprofit issues.

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