



Before You Say Yes
Questions to ask before joining Boards

Questions to Ask	Evaluating the Answers
Why do you want me to join your board?	Do the board's desires for your involvement match your skills, interests, and time availability?
What is the role of the board?	Is the role clear? Does the role make sense given the size and stage of development of the organization?
What are your expectations of board members?	Are board members expected to make financial contributions? How is the issue of differing abilities to give handled? Are all board members expected to help with fund raising? Can they describe a way that board members help with fund raising which fits your style, ability, and willingness?
Has the board adopted a Conflict of Interest policy? Do they follow it?	Lack of awareness of the need for a Conflict of Interest policy may indicate that the board is not keeping up with current pressures for charity reform. Having a Conflict of Interest policy and failing to follow it exposes the organization to increased risks.
Does the organization have Directors and Officers liability insurance coverage?	<p>While the risk of being held personally responsible for damages arising from your service as a board member is extremely low, you may have to defend yourself in the event a lawsuit names board members as well as the corporation itself. Directors and Officers insurance will cover the cost of your legal defense.</p> <p>If the organization does not currently carry Directors and Officers insurance, are they open to discussing obtaining it? Do you think that you will be able to pay enough attention to risk management issues as a board member to feel comfortable serving without Directors and Officers coverage?</p>
What are the most important choices and challenges which this organization confronts?	Do board members seem to have a clear picture of the environment in which the organization is operating? Do board members have clear understanding of the strengths and weaknesses of the organization? Are you interested in the challenges and choices they have identified?
What do board members consider to be the organization's greatest accomplishments?	Do you consider these accomplishments personally meaningful? Do you feel a deep values connection with what the organization is doing?

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What has the board spent the most time on in board meetings over the past year?	Do you believe you could make a meaningful contribution to discussion of issues like these? Do the meetings sound interesting to you? Does the use of board time seem to correspond to the stated role of the board?
How often does the board evaluate the Executive Director? How does the board handle setting the Executive Director's compensation?	Does the level of board involvement in the evaluation seem appropriate for the size and stage of development of the organization? Does the approach for setting Executive Director compensation seem reasonable for an organization of this size?
What is the long term funding strategy for this organization?	Does the strategy seem consistent with what you have been told about the role of the board? The current composition of the board? The choices and challenges identified above? If there is no agreed upon long term funding strategy, are you comfortable joining this board?
Is the organization audited or reviewed by an independent CPA? Why or why not?	If the organization has annual operating expenses above \$1 million, the lack of an audit or review may indicate under-investment in financial oversight.
Does the board consider the organization to be in good financial health? Do the board and management have clear strategies to sustain/improve the financial health?	Do the board's perceptions about financial health seem reasonable in relationship to the financial statements (see list of info you should request)? Do the strategies to sustain/improve financial health seem consistent with the strategic plan, the role and composition of the board, and the assessment of the external environment?
Has the organization experienced any allegations of financial mismanagement?	Do you sense an open attitude and board commitment to financial oversight? Has the organization changed its practices or increased its investment in financial oversight since the allegations arose?
How recently has a professional reviewed the risk management policies and procedures and adequacy of insurance coverage for the organization?	Do you perceive the organization as high risk? Factors could include: <ul style="list-style-type: none"> • work with children, • transport clients, • work with extremely vulnerable adults, • medical and mental health services, • very low paid staff working with high risk populations, • inadequate resources for supervision and staff development • work on highly controversial issues

Background written info you'll need:	What to look for:
Website address	<ul style="list-style-type: none"> Review the website for consistency with the description you've been given and for connection with your values and priorities.
Strategic plan/annual report	<ul style="list-style-type: none"> Review the strategic plan/annual report for consistency with the description of board role and funding strategy you were given above.
Annual audit or review or a copy of the 990 if the organization is not audited/reviewed	<ul style="list-style-type: none"> Review the audit/review or 990 to learn about net worth, including the portion that is restricted either permanently or temporarily.
Current financial statements	<ul style="list-style-type: none"> Review the current financial statements to be sure board members see the Balance Sheet as well as the Statement of Activities (Revenues and Expenses) with a comparison to budget. Determine whether the organization is operating at a deficit or profit position during the current year. Determine whether the budget appears to have been realistic. Look for notes to financial statements which would help board members understand what strategies management is recommending to improve the financial condition of the organization
Copies of the board minutes for the past few months Conflict of Interest Policy	<ul style="list-style-type: none"> Review the board minutes to see if they reflect the use of board time which was described to you above. Also, notice whether the minutes provide a clear record of board action and document that the board is following its conflict of interest policy.
By-laws	<ul style="list-style-type: none"> Are By-laws understandable? Do they match what you have been told about the way the board works?
Proof of tax exempt status	<ul style="list-style-type: none"> Find out whether the organization is exempt under Section 501(c)(3) and whether it has an Advance Ruling or a Definitive Ruling on its status as a Public Charity. If it has an Advance Ruling, ask who is monitoring compliance to be sure that the organization will qualify as a Public Charity at the end of its Advance Ruling period.
Board organization chart which shows committees List of board members and officers	<ul style="list-style-type: none"> Review the board organization chart to see if it is clear and corresponds to the info you've been given. Think about whether any of the committees interest you. Review the board and officer list to see if you think the composition of the board is appropriate for the organization's size, type of services, and funding strategy.
Staff organization chart	<ul style="list-style-type: none"> Review the staff organization chart to be sure you understand where the organization is putting its resources. Use this chart as part of your assessment of whether the organization is at high risk.