

Board Committee Structure

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Board Committee Structure

What are the Options?

Just as every board is unique, every board's committee structure is unique too. Most organizations have the same committee structure from year to year with little thought given as to what the committees do or whether they are still relevant to the organization. As a result, the committees have vague objectives, committee meetings are often endless discussions with no work achieved and the members of the committees become bored or frustrated.

At the other end of the spectrum is the zero-based committee structure where the organization reviews its planned work for the board each year and then establishes only those committees that it will need. Similar to a zero-based budget, this frees the organization from doing things the same way each year. Of course this only works if the organization truly looks at what it needs in terms of board work for the year and only forms those committees that are necessary.

There are generally two types of board committees, standing committees and ad hoc committees. **Standing committees** (also called operating committees) are those committees that an organization uses on a continual basis. They can be set forth in the organization's bylaws, in its board operations and policy manual, or be established by custom. **Ad hoc committees** are formed for a limited period of time to address a specific need. When the work of the ad hoc committee is completed, the committee is dissolved. An ad hoc committee may exist for less than a year or for a year or more depending on the extent of the work assigned to it.

The bulk of the board's work is usually done through its standing committees. Some boards have board development plans where members rotate through the different committees to gain a broad understanding of the organization. Others allow members to stay with the same committee each year to develop a deeper knowledge of the subject area to provide greater service to the organization. A balance of the two strategies allows board members to gain experience with different committees and to develop some expertise with the work of one or two committees.

Ad hoc committees are often formed to: amend the bylaws, recruit a new CEO, develop a strategic plan, relocate the organization, form a new subsidiary, launch a new division or work with other organizations or coalitions. An ad hoc committee could also be formed to study and find creative solutions to a particular challenge an organization is facing such as falling membership levels or poor communications. Ad hoc committees are a good way to involve non-board members in the work of the board.

A board does not always need to add new committees to get its work done. A **task force** can be formed if there is an objective that can be achieved in a relatively short period of time. Special events planning or analyzing a proposed merger are examples of work that can be handled by task forces. **Advisory councils** assist boards in carrying out their work by providing expertise and advice in selected areas. Advisory councils are ways to include former board

members, potential board members, subject matter experts and others in the work of the board without placing them on the board. Not every volunteer makes a good board member. Sometimes a task force or advisory council is a better use of the volunteer's talent, experience and time.

The larger the board, the more committees it may want to have to ensure that all board members can serve on a committee in a meaningful way. Organizations should avoid the temptation to form too many committees. To be effective (and to avoid burn out), board members should generally not serve on more than two committees. Limiting service to one committee gives the board members the opportunity to really focus on an area and develop some expertise that can further the work of the organization.

If the committee structure has not been revisited in a few years, the board should consider looking at the current committee structure and what the committees actually do. If there are overlapping responsibilities or no work being done, then it is time to realign the committee structure. Committees with no work can be abolished and committees with overlapping work can be merged. Committees should not take on a life of their own nor should they overshadow the board itself.

Sample Committee Structure

This sample committee structure is intended to be used by boards with more than 7 members who find they need to work more effectively through committees. An organization may not need all of these committees. An organization may use different names for its committees but board committees generally fall under these headings.

Standing Committees

1. Executive Committee

Depending on the size of the board, it may be advantageous to form a small (3 to 7 member) Executive Committee that is authorized to meet and take action between board meetings when it is impractical to get the full board together for a special board meeting. The Executive Committee can also serve as an advisor to the chief executive officer and a liaison between the CEO and the full board.

The Executive Committee is usually charged with oversight of the organization's chief executive officer. While there may be a separate CEO search committee or a compensation committee, the Executive Committee will often hire the CEO and work with the CEO in establishing goals for the year, evaluating performance, and setting compensation. The Executive Committee reports on these activities to the full board.

The members of the Executive Committee are often on that committee due to the position they hold within the organization. The chair and any vice chairs are normally on the Executive Committee. If there is a chair-elect or a past-chair, that person may also be on the Executive

Committee. Although in some organizations the chair appoints the members of the Executive Committee, they can also be elected by the entire board. Another way to form the Executive Committee is to have the chairs of each of the board committees and the chair of the board form the Executive Committee. The composition of the Executive Committee should change annually.

2. Audit Committee

Something of a rarity a few years ago, the Audit Committee is quickly becoming a standing committee at many organizations. It is usually a small committee of 3 to 5 members. While the audit committee is a standing committee, its work is often seasonal, tied to the end of the organization's fiscal year.

The Audit Committee selects the outside auditor, meets with the auditor to receive the audit report and management letter, and discusses the management letter with the full board and the senior staff.

The Audit Committee may also be charged with auditing the expenses of the board and the chief executive officer of the organization.

Members of the Audit Committee should be financially literate and at least one (and preferably more) should be financial professionals. While there may be some overlap in membership with the Finance Committee, the chair of the Finance Committee and the Treasurer should not be on the Audit Committee.

3. Governance Committee

The Governance Committee is charged with the care and feeding of the board itself. The responsibilities assigned to this committee vary with each organization. As a general rule, the Governance Committee would be responsible for board recruitment, orientation, self-assessment, continuing education, and management.

Recruitment involves identifying current and projected vacancies on the board, assessing the composition of the current board and identifying gaps in competencies or demographics, and finding and recruiting potential board members. The Governance Committee is charged with developing a position description for board membership to inform prospective candidates of the organization's expectations in terms of their experience and background and what will be expected of them if they join the board. The Governance Committee can also serve as the Nominating Committee for new board members and officers.

Orienting its new board members is one of the most important tasks a board does. New board members not only need to know about the organization and its programs, finances, and plans for the future. They also need to know how the board itself operates, how the staff and board interact and their role in the organization. Orientation sometimes includes training to provide new board members with the basic skills they need to be effective members of the board.

Every board should conduct regular self-assessments, preferably every year but at least every 2 to 3 years. The self-assessment should be of the board's performance as a whole and of each individual member's performance. Regular evaluation of how the board is functioning is a good way to realign the board's focus and activities if they have strayed off target. Individual self-assessments are helpful for board members to gauge their own performance. It can aid them in identifying skills that may need additional development or to evaluate whether they have the time and commitment to give to the organization at this point in their life.

Continuing education is useful for every board. Nonprofit laws and best practices for nonprofit boards have been changing in recent years and even the most experienced board member can learn something new. Continuing education also allows the experienced board members to share what they have learned through practical experience with less experienced members.

A mentoring program can be part of a continuing education program. In a mentoring program, new board members are assigned a more experienced mentor on the board who is familiar with the organization. The mentor helps the new board member to adjust to the organization and the board. The Governance Committee can recruit mentors and oversee the mentoring program.

Management of the board includes the adoption and enforcement of a conflict of interest policy and a code of conduct among the board members.

4. Finance Committee

Sometimes called a Budget Committee or a Budget and Finance Committee, this committee oversees the preparation of the annual budget and the performance of the organization in meeting its budgeted revenues and expenses. Finance Committees often receive regular reports on the organization's performance in meeting its budget and present that information to the full board.

The Finance Committee is different from the Audit Committee. In effect, the Audit Committee is tasked with checking the work of the Finance Committee and the Treasurer in overseeing the financial management of the organization. While there may be some overlap in committee membership between the Audit Committee and the Finance Committee, the chair of the Audit Committee should not serve on the Finance Committee. Ideally the organization has enough financially literate board members that the membership of the two committees does not overlap.

The Finance Committee may be charged with a wide range of responsibilities such as managing the organization's investments, setting compensation packages for staff, overseeing capital campaigns and raising funds. It may handle these responsibilities as a committee or through the formation of subcommittees. An organization may have a separate development committee to oversee fundraising or it could assign that responsibility to the Finance Committee or one of its subcommittees.

5. Membership Committee

If an organization has members, the Membership Committee is often tasked with developing criteria for membership, credentialing members, overseeing elections, and developing and delivering programs for the members. There may be some overlap with the Program Committee.

Developing the criteria for membership and credentialing members can be a huge task depending on the organization's structure. While the daily issues and activities involving memberships are usually handled by staff, questions as to the criteria for membership, granting membership and the revocation of membership are usually reserved to the board. The board may also determine the benefits available to members.

If the organization's members have the right to elect members of the board of directors or adopt policies for the organization, the elections process may be the responsibility of the Membership Committee rather than the Governance Committee. This committee would then identify expected vacancies on the board, advertise the openings to the membership and oversee the elections.

Membership Committees usually keep closely connected to the organization's membership and work with the staff to identify and develop programs that meet the changing needs of the membership. The evaluation of program delivery can also be assigned to the Membership Committee.

If the organization has an annual meeting or conference for its members, this activity may be overseen by the Membership Committee or one of its subcommittees.

6. Program Committee

The Program Committee is charged with overseeing the organization's programs. While staff often carries out the day to day activities which result in the development and implementation of the organization's programs, the Program Committee is charged with long range planning and general oversight. Depending on the extent of the organization's programs and the size of the board, there could be several committees devoted to program that may bear other titles. Examples are: Government Relations, Technology and Education. Each of these committees would be assigned a specific element of program to plan and oversee.

If the organization has members, the Program Committee is a good way to involve them in the organization's work. Non-board members can serve on the Program Committee or on its subcommittees.

Ad Hoc Committees

By their nature, ad hoc committees are formed when they are needed and dissolved when their work is done. Below are some examples of ad hoc committees.

1. Bylaws Committee

The Bylaws Committee is charged with reviewing the organization's bylaws and current practices to ensure that they are synchronized. Over time it is not uncommon for an organization's practices to evolve so that they no longer follow the bylaws. The Bylaws Committee assesses why this has happened and recommends changes to either the organization's practices or the bylaws. A Bylaws Committee can also be used to review current best practices and governance trends and make recommendations on those the organization should consider adopting. A Bylaws Committee may work with the Governance Committee or Membership Committee. Since a review of the organization's bylaws and practices is usually only done every few years, this does not need to be a standing committee.

2. Capital Campaign Committee

A capital campaign will usually last for several years. An organization may only embark on a capital campaign once a decade or less frequently. Therefore a capital campaign committee is an ideal ad hoc committee. Its goal is to raise funds for the capital campaign. Donors who are not on the board can serve on the Capital Campaign Committee. Their commitment is not open ended and they may be more willing to serve in this capacity. The Capital Campaign Committee may work with the Finance Committee, the Membership Committee or the Program Committee.

3. Strategic Planning Committee

Since it should take less than a year to develop or update an existing strategic plan, this is one that could be an ad hoc committee or a task force. Many organizations will choose to make it an ad hoc committee. Members of the Strategic Planning Committee are responsible for developing or updating an existing strategic plan. They may also monitor the implementation of the plan and report on its progress to the full board. This ad hoc committee may work closely with the Finance Committee, the Membership Committee and the Program Committee.

Task Forces

Task forces by their nature are designed to bring people together to solve a problem. Task forces are short in duration and specific in focus. Below are some examples of task forces.

1. New Program Development Task Force

When it is time to think outside the box and brainstorm about ideas to keep an association relevant with changing demographics or trends, a New Program Development Task Force might be the answer. It can bring board members, members, consultants, funders and representatives of the community together to find a creative solution to the organization's challenges.

2. Joint Activities Task Force

An organization that is considering joining forces with one or more other organizations may want to study the issue through the use of a Joint Activities Task Force. Task forces are

ideal for identifying issues, collecting information, reviewing and analyzing the information and making recommendations to a committee or the full board.

3. Special Events Fundraising Task Force

Organizations that use special events fundraising such as concerts, golf tournaments, walk-a-thons or auctions may use a Special Events Fundraising Task Force to help plan and carry out an event. This task force may work with the Finance Committee or other committees involved in fundraising.

Advisory Councils

Not every organization uses advisory councils. Unlike task forces that are short in duration, advisory councils may exist for many years. Their members are not board members so they are not referred to as committees. Below are some examples of advisory councils.

1. President's Council

This advisory group is usually comprised of former board chairs who advise the organization's president on issues facing the organization. This is a way for former board chairs to stay engaged with the organization and move off the board to make way for new board members. It also provides the link to the organization's institutional memory. The organization should be careful to only use this advisory council so long as there is a benefit to the organization.

2. Major Donor's Council

This advisory group often has a unique name to designate it as the pinnacle of volunteer involvement for donors. This group is given special access to the president and board and advance briefings on issues. They receive special invitations to the organization's events. While they sometimes provide real advice to the organization, Major Donor Councils often serve the primary purpose of recognizing major donors to the organization and cultivating them for additional gifts.

3. Professional Expertise Councils

Sometimes an organization wants to formalize the way it receives advice from volunteer experts. An organization may form a council of scientists, physicians, educators or other experts in a specific field to meet occasionally and provide advice as a group to the organization. Not only can the discussions by the experts advance the development of the organization's programs; the qualifications of the experts on the council can provide instant credibility to the organization.

Conclusion

Each board must determine which committee structure works best for it. The committee structure should be flexible and meet the changing needs of the organization. There are a variety

of options to choose from and boards should be willing to experiment, keeping in mind that committees are only tools boards use to get their work done. The right tool for today may not be the right tool for tomorrow. The challenge is in knowing which tool will get the job done.