

Do You Have These Four Crucial Committees?

All well-run nonprofits have four indispensable committees. Here's why they're so important.

By Alyson Ball

No matter the size, age, or type of your organization, there are four board committees you need to have. These committees are essential to your organization's health and your board's well-being.

Share this article with your board members today. Ask them to discuss it at an upcoming board meeting, and consider how these committees can help them do a better job providing oversight and support for your nonprofit.

If your board lacks the expertise to support the activities outlined below, decide which board skills are needed. Start recruiting board members with these skills now.

Board Development Committee

This committee preserves the quality of your board's future. Here are some of the vital things it does:

- **Determine** what skills are required on the board.
- **Recruit** new board members.
- **Orient and educate** board members. While many boards have one-time orientation sessions, better boards continuously educate their members, exposing them to the organization's work and the quality governance they're trying to achieve.

“Re-invigorate these four committees first.”

Put Your Committees to Good Use

Once you have your four committees up and running, assure their success with these and other *Nonprofit World* articles at www.NonprofitWorld.org.members:

A Board Member Self-Assessment (Vol. 15, No. 6)

Leading and Managing Governance Change (Vol. 26, No. 3)

Can Standing Committees Contribute to High-Impact Governing? (Vol. 25, No. 2)

How to Assess and Improve Your Board's Performance (Vol. 24, No. 1)

35 Questions that Will Transform Your Board (Vol. 24, No. 3)

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- **Communicate** with board members to ensure that they're making productive contributions and that they're satisfied with their board experience.
- **Design, administer, interpret, and follow up** on annual board self-evaluations.

Finance Committee

The finance committee is often the most highly-functioning of all board committees. Its responsibilities include:

- **Support** development of the annual expense budget as well as the longer-term strategic plan.
- **Track** actual vs. budgeted spending.
- **Watch** monthly cash flow.
- **Interpret** the organization's overall financial health on behalf of the board.
- **Review** all the organization's financial policies.

The Audit and Investment Subcommittees help round out the board's involvement in the organization's financial affairs.



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Fundraising Committee

While the executive director is responsible for the organization's fundraising, well-run organizations engage the support of the board in various aspects of raising funds, such as these:

- **Oversee** development of the annual fundraising plan. Track planned vs. actual results during the year.
- **Encourage, train, and thank** other board members for their involvement in fundraising activities.
- **Explore** potential new fundraising activities as part of the strategic planning process.

Special Events Subcommittees can be established as part of this committee when appropriate.

Personnel Committee

Contrary to popular thinking, even small, young nonprofits need personnel (or human resource) expertise on their boards. Even if there's only one part-time employee working for your nonprofit, this committee helps make sure that all employment laws and regulations are followed. Other responsibilities include:

- **Ensure** that wages and benefits are comparable to compensation in other, similar organizations.
- **Create** employee handbooks and human resource policies.
- **Make certain** that each employee has a current job description, documented annual objectives, and yearly follow-up reviews that include training and career path planning.
- **Help develop** attractive benefits, pension plans, and the like.

Next Steps

If your board doesn't have a well-developed committee structure, start by assigning some board members to these committees now. If your board has committees but they're not particularly effective, re-invigorate these four committees first. They are by far the most important to the effectiveness of your board and the success of your nonprofit. 

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Amy Sample Ward
CEO, NTEN: The Nonprofit Technology Network

“I never keep
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all to myself.”

Amy Sample Ward is the CEO of NTEN: The Nonprofit Technology Network (nten.org), a membership organization that works with a community of over 50,000 nonprofit professionals that use technology to meet their missions. She is an author, facilitator, and trainer focused on leveraging social technologies for social change. In 2013, she co-authored her second book, *Social Change Anytime Everywhere: How to implement online multichannel strategies to spark advocacy, raise money and engage your community* co-authored with Allyson Kapin.

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