

# The Governance Committee

## —An Idea Whose Time Has Come

For many years now, not-for-profit organizations have maintained some form of nominating committee to help them attract and select qualified candidates for their open director or trustee positions. From that point on, it has pretty much been up to chance and the management skills of the executive director to get as much value out of that director as possible. As a result, board members often stay on for years, frequently without contributing much beyond attending board meetings and writing a check every once in awhile, and often without even doing much of that. Removing a non-productive board member has often been nearly impossible until the board member decides they don't want to be there anymore.

### *But times have changed.*

We're now in our second rocky period for charitable giving in this decade. The Nonprofit Integrity Act in California and similar legislation elsewhere, borne out of Sarbanes-Oxley, have put new demands on boards to operate responsibly. EDs and board chairs need new ways to ensure their board members will contribute meaningfully to the planning for and running of the organization.

Enter the Governance Committee. A newly-chartered committee of the board, it encompasses the work of the old nominating committee and then goes into new territory. Its responsibilities should also include working with the ED to develop and carry out board development and training, recognizing that board service requires knowledge and skills that most board members don't bring to the job initially. Its role may also include evaluating the performance of the board, both collectively and individually, and making recommendations to the Chair and ED for strengthening that performance including, perhaps for the first time, removal of underperforming directors to make room for fresh ideas and energy.

Why such a dramatic change in the old, familiar ways of board service? Because not-for-profit organizations today, regardless of their mission, must learn to operate more like a business if they are going to ensure their survival in these turbulent economic times, and that strategic change of direction must come from the board.

If you sit on the board of a nonprofit entity, look around you at your next board meeting. Might it be time to consider a governance committee for your organization?

Best wishes,

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