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# Let's Be Honest about Nonprofit Boards of Directors (or, Lessons to Be Learned from Penn State)

By [Susan J. Ellis](#)

August  
2012

Everyone who follows these Hot Topics knows that, by definition, a nonprofit organization is governed by a board of directors comprised mainly of *volunteers*. I suspect, however, that the general public doesn't know this and probably would never see it as relevant to such things as the recent scandal at Pennsylvania State University. [Penn State's bylaws](#) affirm: "No member of the Board shall receive compensation for his/her services..." other than reimbursement for travel expenses. Board volunteers have the legal obligation and authority to govern, but frequently are dangerously disengaged.

Despite the volunteer element of boards, you would be hard pressed to find someone working as a manager of frontline volunteer services who is ever involved in any aspect of recruiting, training, recognizing, or otherwise helping the executive director work with board volunteers. (There are exceptions but they are few in number.) It's a great divide, akin to the separation of fundraising from volunteer management.

The volunteer board members of a not-for-profit organization, including universities, are *trustees*, assuring third-party donors that their money will be well spent in delivering promised services to the organization's clientele. While the employees of the organization are hired for their professional expertise in the services provided to the public, board members most often bring quite different skills, particularly competencies necessary to find continued funding, develop strategic plans, and other important aspects of keeping the organization viable so that it can help clients.

At least that's how it works in *theory*. In reality, boards of directors vary widely in their engagement and effectiveness. The rarely spoken truth is that executives really do not want a board to do much more than rubber stamp the direction the staff wants to take (except that nonprofits also want the

board to give or get a lot of money). Also, the more board members are selected for demographic diversity, representation of constituencies, and variety of skills different from that of employees, the easier it is for the chief executive to make the case that the staff knows best.

## What's the Problem?

If an organization is lucky enough to have excellent employees with the ability and ethics necessary to be successful and help their clients, it may not really matter if its board of directors is relatively ineffective. As long as the money keeps coming in (which these days, at least for smaller agencies, is mainly done by grant writing and not by individual donor solicitation), the board does not have to do much. But, of course, what if things are not going well?



The scandal at Penn State may have begun as a horrifying case of unstoppable pedophilia, but ultimately it has become an example of very poor governance. Michael L. Wyland, well-respected expert on nonprofit governance and fundraising issues with the consulting firm Sumption & Wyland, has written a meaningful essay, [“Freeh Report on Penn State Provides Little Guidance on Nonprofit Governance.”](#) He notes:

*The report blames the Board for being too deferential to the University President and for not demanding more and better information on issues of risk management and oversight. The report's recommendations include governance recommendations which would make many nonprofit executives blush or roll their eyes. Unfortunately, the governance recommendations are either vague and tentative or too narrowly focused to have significant organizational impact.*

It's not really surprising that the Report identifies problems but does not give enough specific advice. Despite the growing body of expert advice about nonprofit boards of directors, we won't get anywhere if we cannot be honest about the deterioration of this aging institutional tradition.

Here are my observations, which I fully acknowledge are personal and do not reflect all boards or every volunteer who serves on them. But I have seen enough variations on these themes in the last 35 years to feel that there is some truth here:

1. Individual board members do not have personal authority outside of the board voting as a full body, unless given such rights by the full board. Nevertheless, both staff and volunteers treat members of the board deferentially at all times – to the detriment of each volunteer's individual development. In 2007 I addressed some of this in a Hot Topic, [“Boards of Directors: Governing at a Distance?”](#), in which I urged providing board members with many more opportunities to learn for themselves what the organization is all about, *before* making

decisions about it. (I bet many Penn State trustees sat in special seats at football games, but I wonder how many of them ever spent time on campus talking to athletes or other students.)

2. Bylaws define the role of the board as a whole and of its committees, but are not a *position description* for what it means to be a member of the board as an individual. Just as frontline volunteers need clarity about what is expected of them, prospective board members need to understand the commitment they are making when they accept their nomination: their responsibilities and obligations, and how they will actually carry them out. It is rare to find a “board development committee” that functions year-round, making sure the position descriptions of regular board members and officers are kept current, seeking prospective candidates, inviting them to observe one or more board meetings, and otherwise cultivating them. Much too often it’s a last-minute “nominating committee” desperately seeking recommendations of people already known to other board members and who can be convinced to take on the role. To fill vacancies, all sorts of deals are negotiated simply to get a complete board. (Example: “It’s OK if you can’t make most of our meetings.”) If you think the “any-warm-body-will-do” approach is dying out in volunteer management, just look at how your nonprofit board was selected.
3. While terms of office and required rotation of positions may be stated in the bylaws, too many organizations simply disregard the rules. This seems fine until a really, really weak or annoying board volunteer is put in place (see #2 for how this happens) and then everyone realizes they don’t know how to suddenly apply the rules just to him or her.
4. I am continually dismayed at how often the board executive committee assumes it can do all the work of the full board (Wyland’s essay also mentions this problem). This is how too many organizations avoid restructuring a board that is too large and unwieldy, or comprised of too many honorary members (such as ex-presidents) or disinterested outside appointees (such as government officials named because of their position, not their interest). Not only can a super-active executive committee unfairly disenfranchise the rest of the board, it also does nothing to develop new future leadership from the ranks. Wonder why it’s hard to get board members to accept an officer position? Maybe it’s because they see it as a volunteer role that’s far more demanding than simply being a regular board member.
5. A board can only discuss what is presented to them. So any executive can manipulate board action by not mentioning something or by so overwhelming the members with documentation that important details are obscured. This is not always done with dishonest motives, but too many board volunteers neglect to exercise *their right to ask questions* – not just about what is presented, but about what is *not* presented. In recent years it has been gospel to separate “governance” from “management.” That’s fine for really large institutions, but the majority of small agencies need their boards to be much more informed, and sometimes also hands on, about daily work. Even in large organizations (remember Penn State!) a board that knows nothing about what is going on can hardly “govern” well.

The sad truth is that we have precious few great nonprofit boards operating right now. Unless and until we can realistically assess the extent of this degeneration of board effectiveness, the nonprofit

sector is in jeopardy.

## Volunteer Management Expertise Applies

Even though few readers are likely to have authority to do something about the concerns just described, we do know a lot about volunteerism. Let's offer our expertise. For example:

- We know that today's volunteers universally want short-term commitments at the beginning of their relationship with us. They might *evolve* their willingness to do more, but only after some successful experiences. How could we offer highly-skilled, limited-time volunteer projects to people identified as prospective board members? Can we teach boards to create project or deadline-oriented task forces rather than rely on "standing committees" that are endless?
- The whole world is learning to work virtually, yet very few boards have embraced online collaboration. While laws may need to catch up with Internet technology and permit board votes to be done electronically, there is no reason why the discussion of issues and all sorts of reporting cannot be done through easy, fast, asynchronous online tools. For that matter, Skype, Google+ and other platforms allow for virtual face-to-face meetings without any travel. If we are increasing our ability to allow frontline volunteers to serve online, can we show the board how they might, too?
- Too few executives or board officers recognize the amazing pool of talent right under their noses: the frontline volunteers who are already committed to your mission and active year-round. We need to proactively identify great volunteers with the talent and interest in being cultivated as future board members – or at least as members of board committees (and task forces, as I recommend above). The prejudice that frontline volunteers do not have relevant governance skills or, for that matter, have no money, must be challenged. And at the same time, why are we not inviting past board members to rotate off the board into meaningful frontline volunteer roles? The trend towards pro bono consultancy contributions seems ideally suited to this issue.
- We should create the type of reports on volunteer accomplishments that are meaningful to a board and help executives understand why they should be shared at board meetings. Why is it not standard practice to devote at least part of at least one board meeting each year to a presentation about and discussion of volunteer issues? It is up to us to explain what is important about this subject.
- Why are we not asking new board members to go through our volunteer orientation/induction sessions or at least some of the same agenda items? (If you do not provide information that would be relevant to a board member, maybe it's time to reassess what you do in these sessions!)

I eagerly await more ideas from you about how leaders of volunteers can offer help to their executives and board volunteers based on our understanding of best practices in volunteering. How do we make nonprofit boards more effective?

Related Topics: [Executive Director, Role of](#) | [Leadership](#) | [Legal Issues](#) | [Image of Volunteering](#)

**Submitted on 08 October 2012 by Michael Wyland, Owner/Partner, Sumption & Wyland, Sioux Falls, SD, USA**

First, belated thanks to Susan for her kind words about my article. It was subsequently published on the website of The Nonprofit Quarterly.

Answering your last question, I side with \*not\* asking for blanket resignations. In fact, in the case of Penn State, one of the governance problems is that many of the directors are selected by entities other than the Penn State board, and a few serve by virtue of their being state employees.

An interesting thing happened in Tennessee earlier this year. A nonprofit, beset with all kinds of problems, ultimately had its entire staff resign en masse. The board's reaction was to decide to cease the nonprofit's operations and resign as directors.

The interesting part was that the state attorney general stepped in and forbade the board members to resign. The AG said the board members had an affirmative responsibility to assure that the nonprofit's affairs were wound down in an orderly manner. No mass resignations in crisis; the public interest was best served by board members living up to their responsibilities.

**Submitted on 02 August 2012 by Colleen Kelly, Executive Director, Vantage Point, Vancouver, BC, Canada**

Thanks for this, Susan! After many years of working with literally hundreds of different Boards of Directors, I think you are bang-on. It is the group of volunteers we often don't address as volunteers, and they are usually quite unaware of their critical governance role. They can be very valuable leaders in an organization, and wouldn't it be great if we REALLY learned how to engage them effectively?

I read an article where the author stated every board member at Penn State should resign because of their role in the scandal. I wonder what you think about that... Is resigning the right thing to do? Or does every board member have a commitment to stick around and fix the mess? They are volunteers...

## Comments from Readers

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*Submitted on October 30th, 2017*

*Anonymous, Pomona Park, Florida, United States*

Does a nonprofit organization have the right to nondisclosure to the members of the organization of the minutes of the Board meetings and of the monthly financial reports ?

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*Submitted on November 1st, 2017*

*Susan J Ellis, President, Energize, Inc., Philadelphia, PA, United States*

Hi -- This is a bylaws question which should be answered by vote of the board of directors. Most organizations do permit the sharing of board minutes. If you do not, you need to explain why not. I recommend that you contact your State Attorney General for more information for Florida.

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*Submitted on February 20th, 2018*

*Nielsen John Diane, vice president , King's Gate Park Booard i Florida, IL, United States*

What can an individual board member do to protect themselves when the president will not allow a board member to seek legal advice regarding a law affecting our condo?

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*Submitted on April 26th, 2018*

*Cara Thenot, Publications Director, Energize, Inc., Philadelphia, United States*

Hello,

Thanks for your question. We're sorry for the late reply as we've had some technical difficulties.

Your specific question is a bit beyond our scope. We think your best option is to seek advice from BoardSource (<https://boardsource.org/resources/avoiding-personal-liability/>) or the National Council of Nonprofits (<https://www.councilofnonprofits.org/tools-resources/board-roles-and-resp...>). Also, the Nonprofit Risk Management Center is very knowledgeable about board issues.

Cara Thenot

Energize, Inc.

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*Submitted on May 31st, 2018*

*Bradley Ledford, Asheville, NC, United States*

Is there any civil liability difference between a board and an executive committee? The group is a small non-profit that meets once a month and has a three member board.

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*Submitted on July 6th, 2018*

*Cara Thenot, Energize, Inc., Philadelphia, United States*

This is a great question for our colleague Don Kramer at Nonprofit Issues. <https://www.nonprofitissues.com/>

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