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Knowledge Center

Topic Papers and Articles

Board Members Who Provide Professional Services

Should every board recruit a lawyer, an accountant, and a financial manager? Should technical specialty be a necessary criterion for board service? It is true that boards often deal with legal, financial or other technical issues that require more expertise than a non-specialized board member may be able to give. In all-volunteer organizations, professional skills are particularly helpful. However, experts and representatives of specific fields can find themselves in a difficult position of trying to define their role as an active and contributing board member while being expected to perform professional services for the organization. In most cases, board members with technical background benefit the board best as advisors rather than as direct service providers.

Diversity on board

The main benefit that diversity brings to board deliberation is a multitude of skills, expertise, and perspectives. Professionals expressing their opinions or assessing board decisions add value to this process. A professional may be able to detect a detail or raise a question that otherwise would go unnoticed or ignored. However, mixing non-professionals with technical experts adds diversity to the board and promotes creative and innovative thinking. Every board can benefit from the interaction of a mixture of backgrounds.

Lawyers as board members

A lawyer serves the board as a source for advice and assists it in making sound judgments. Lawyers may also have insights that are beneficial when drafting policies. A lawyer can ensure that laws and legal regulations are obeyed and that all board documents abide by necessary standards. However, a board member with a legal background should not be the legal representative of the board or the organization to the outside world. Changing the servant position to an attorney-client relationship creates too many conflicts of interest. Even when no pay is involved, it is better if an independent counsel is retained for any legal services. Before inviting a lawyer to serve on a board, it is necessary to agree on the role that he or she is expected to hold.

Financial managers as board members

Business leaders and financial experts can provide valuable input in board decision making. Every board member does not have to be a business wizard, but with some business acumen on the board, the organization can make sound decisions and seize essential opportunities. Boards must understand the financial implications of their actions. However, using board members as hired financial managers of its investments and accountants, or relying on a board member's firm for the annual audit creates conflicts of interest. In most cases it is better to deal with an outsider.

Funders as board members

Foundation leaders or program officers can benefit greatly by serving on boards that they presently or eventually may fund. This is an excellent way for them to get to know how their money is or would be spent, how efficient the organization is in carrying out its mission, and how their money would impact the organization. The benefit to the board is direct feedback from a funder and the ability to prove firsthand that the money is well spent. A funder on a board has the opportunity to get to know the programs in more detail, which also puts them in a position to witness the programs successes or shortfalls.

Conflict of interest may be a concern. Potential conflicts could arise between the funder and his or her own foundation. Foundation leaders must objectively decide who would be the most deserving recipients of their funds.

Funders as board members — like the rest of the board — make decisions to benefit the organization that they serve.

Doing business with board members

It is not uncommon for board members to recommend or be asked to provide their own business services to the organization on whose board they serve. Occasionally it can be acceptable for a nonprofit to have business relationships with its board members, but it is extremely important to follow appropriate and ethical procedures before establishing this kind of a relationship. A conflict-of-interest policy along with board members' annual disclosure of personal and professional affiliations can help assure that no facts remain unchecked. The organization needs to openly seek bids to procure services, the determining factor being what is best for the organization. In some instances, a board member may be willing to provide services to the organization at a discount. In any case, it is important to be able to document that the final decision was made in the best interests of the nonprofit and that the board was aware of the potential conflict.

Technical skills and commitment

Technical capabilities and field expertise can benefit any board, but one person rarely possesses all desired or needed skills. That is why a diverse background for board members can ensure that all or at least most of the needs are met at any given moment. Board member training and development can focus on particular competences to allow a better distribution of skills. One attribute, however, is a universal quality that every board member should possess: commitment. Without commitment and compassion for the mission of the organization, no amount technical skill can keep the organization constituent-focused.

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