



The State of Board Governance in Fairfield County

Report produced by The Fairfield County Community Foundation's Center for Nonprofit Excellence

About The Fairfield County Community Foundation

The Fairfield County Community Foundation works closely with donors, promoting the growth of community and regional philanthropy to improve the quality of life throughout Fairfield County. Individuals, families, corporations and organizations can establish charitable funds or contribute to existing funds focused on specific areas of need or communities in Fairfield County. The Foundation provides philanthropic advisory services, helps nonprofits develop endowment funds and develops and leads initiatives to tackle critical community issues. It is in compliance with the Council on Foundations' 41 national standards for community foundations. The Foundation has awarded over \$135 million in grants to nonprofits in Fairfield County and beyond. For more information, visit www.fccfoundation.org.

About The FCCF Center for Nonprofit Excellence

The Fairfield County Community Foundation created The Center for Nonprofit Excellence to strengthen nonprofit effectiveness, efficiency and sustainability. Guided by an Advisory Committee that includes Fairfield County nonprofit executives, The CNE:

- Offers high quality, affordable professional development workshops for Fairfield County nonprofit executive directors, senior staff and board members.
- Convenes nonprofit leaders from across Fairfield County, so they can learn from each other, exchange best practices, and explore collaborations to better serve the community.
- Awards special technical assistance grants to Fairfield County nonprofits, such as financial management assistance grants and grants to support individual nonprofit capacity building with qualified nonprofit consultants.
- Offers expert, one-on-one technical assistance to nonprofit executives and board members who call the Foundation with specific management queries. The CNE serves as a one-stop clearinghouse for nonprofit management information.
- Provides a community calendar for nonprofit fundraising events, a highly discounted subscription to the Foundation Center Online Directory, and free meeting space for Fairfield County nonprofits.

In addition to Foundation support, The Center for Nonprofit Excellence is generously funded by: Albert and Helen Meserve Memorial Fund; Bluenose Fund at FCCF; Citizens Bank Foundation; Dana, Grace, Olivia and Al Nickel; GE Capital; JP Morgan Chase Foundation; New Alliance Foundation; Peoples United Community Foundation; Perrin Family Fund at FCCF; Pitney Bowes Foundation; Purdue Pharma; Savings Bank of Danbury Foundation; The Ruth Brown Foundation; The United Way of Western Connecticut; Union Savings Bank Foundation.

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Table of Contents

Executive	Summary		1
-----------	---------	--	---

Survey Results & Analysis 2 - 3

Recommendations 4

Learn more about The Fairfield County Community Foundation and its Center for Nonprofit Excellence at www.fccfoundation.org

The "Backbone" of Nonprofit Organizations

Nonprofit boards are the backbone of charitable organizations.

Boards exercise authority over the organization and have a range of responsibilities. The most important of these responsibilities include providing financial and legal oversight, ensuring that the organization has sufficient resources and setting the strategic direction of the organization.

Today, more than ever, there is increasing pressure on nonprofit boards to operate effectively.

Given these significant responsibilities, it is widely accepted that a strong, engaged, nonprofit board is an essential ingredient to a nonprofit's ability to achieve impact.

Today, more than ever, there is increasing pressure on nonprofit boards to operate effectively. Greater scrutiny on nonprofit practices, coupled with increased demand for nonprofit services and funding decreases are challenging boards in new ways.

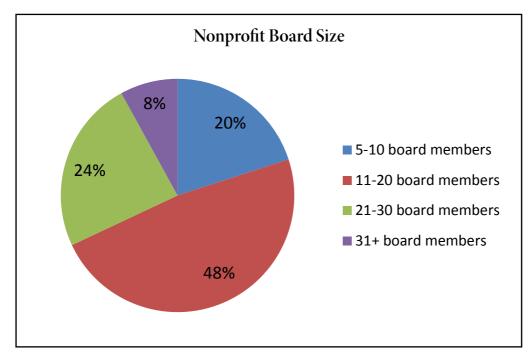
How are nonprofit boards in Fairfield County, Connecticut stepping up to these challenges? Where are they shining and struggling? What do boards look like in terms of their composition? And how are local nonprofit organizations attracting new board members?

We set out to answer these questions and more in a survey we conducted in January 2012 of Fairfield County executive directors and board members.

Our findings are based on the responses of 120 nonprofit leaders in Fairfield County - a 26% response rate. These respondents include 100 executive directors and 20 board members. Respondents represented organizations working in the arts, education, workforce development and everything in between. One-third of the respondents were organizations with operating budgets between \$1-3 million dollars and one-third of respondents were human service organizations.

These findings are just a snapshot of the state of nonprofit governance in Fairfield County. This report is meant to be a tool to shed light on the inner workings of our local boards and how they are performing. It is not a statistically weighted, representative sample of the nonprofit sector in Fairfield County.

Findings



What We Learned

Boards range in size from 5 to 56 members, with 48% of boards having 11 to 20 members.

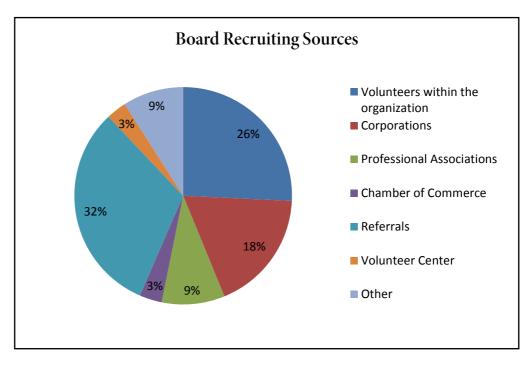
Over 90% of boards have written by-laws, record minutes of board and committee actions, and have an executive committee. 57% of boards provide in-person, structured board orientation for new board members and only 29% use a data dashboard report for board meetings. 72% of respondents felt that their board operated at a strategic versus operational level.

In terms of board performance, respondents rated their boards high in terms of understanding their mission, financial and legal oversight, and setting the strategic direction of the organization. Respondents rated their board's performance poorly in terms of fundraising for the organization, recruiting new board members and monitoring the board's own performance.

In terms of the board's responsibility for fundraising, only 35% of respondents rated their board performance as Excellent to Very Good.

- 52% of respondents say board members do not solicit funds on behalf of the organization
- 42% of respondents say board members do not identify donors
- 32% of respondents say board members do not attend fundraising events
- 28% of respondents say board members do not make a personal donation to the organization

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Boards in Fairfield County do not reflect the diversity of the region. 70% of respondents have boards that are overwhelmingly white and older.

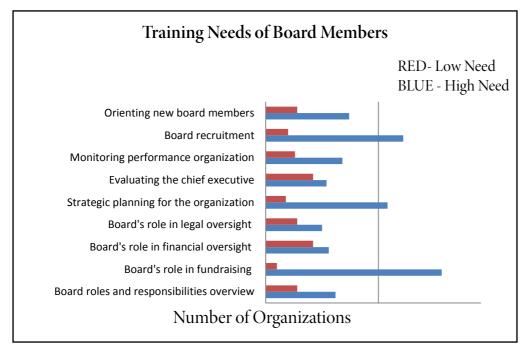
In terms of recruiting board members, 69% of respondents reported that it is somewhat difficult to very difficult to recruit new board members.

Boards in Fairfield County do not reflect the diversity of the region. 70% of respondents have boards that are overwhelmingly white and older. Over 70% have no Asian board members, nearly 50% have no Hispanic board members and 30% have no African-American board members. Over 75% of respondents have no board members under the age of 30 and over 25% of respondents have no board members under the age of 39.

The areas where respondents expressed they would most benefit from training were consistent with rating their performance as lacking in certain areas. The top areas for board development included fundraising, board recruitment, orienting new board members and strategic planning for the organization. Over half of respondents preferred to have training conducted in the early evening. The worst time to offer training to board members is in the afternoon according to respondents.

When respondents were asked what were the greatest obstacles impacting their board's effectiveness, the most common responses included:

- Board members not having enough time to dedicate to board duties
- Small board size, so board members stretched thin and not effective
- Board members not engaged
- Board members not understanding how to fundraise
- Shifting from a passive board to a working strategic board is difficult
- Recruiting quality board members



Improving Board Governance

Better understanding the needs of Fairfield County nonprofit boards was an important outcome of this survey.

The Foundation's Center for Nonprofit Excellence workshops are geared not only to professional staff of nonprofit organizations, but to board members as well. Future board governance training will be specifically based on the findings from this survey. The CNE will sponsor a high level governance workshop in the fall of 2012 focusing on improving the fundraising capacity of boards. This will include effective fundraising tools and techniques.

This survey confirms what we've been hearing anecdotally for years: that recruiting and training new board members and reflecting the County's diversity has been difficult for Fairfield County nonprofits. The CNE will work closely with other resource providers in Fairfield County to expand development opportunities for boards, specifically in the area of recruiting qualified and diverse board members.

As a grantmaker, the Fairfield County Community Foundation will continue to assess the health of organization's boards through our competitive grant application process. When the Foundation awards a grant to a nonprofit organization, it is in essence a partnership with that organization. A strong partnership with any organization is not just with the staff of that organization, but with the board as well. The Foundation encourages board member participation in our site visits and workshop offerings. In many of our high level workshops, we require board member attendance. This will continue to be a focus of the Foundation.

This report will also be widely disseminated to the Fairfield County corporate and philanthropic sectors.

Future board governance training offered by the Foundation's Center for Nonprofit Excellence will be based on the findings of this survey.

How You Can Help

Support The Center for Nonprofit Excellence

The impacts of the economic downturn will be long-lasting, and the challenges facing nonprofits in Fairfield County will only grow. In order to meet the changing landscape of dwindling government funding and the increasing demand for services by those in need, nonprofits will need to be well-managed, flexible and proactive.

DONATE ONLINE

Support The Center for Nonprofit Excellence today. Giving online is fast, secure and easy and you'll be confident in the knowledge that your gift will be used in the most effective way possible.

TO MAKE A DONATION

Go To: fccfoundation.org

Click: "Donate Now"

Select: The Center for Nonprofit Excellence

Choose: Your gift

amount

Your tax-deductible gift will join donations from other like-minded philanthropists looking to make a difference in their own backyard.

Support The Center for Nonprofit Excellence

The Center for Nonprofit Excellence at the Fairfield County Community Foundation is focused on improving and strengthening the nonprofit and philanthropic communities throughout the region.

The strength and health of our communities is directly tied to the strength of our region's nonprofit sector.

The Center for Nonprofit Excellence provides resources, training and support to our nonprofit, community and philanthropic leaders, ensuring a strong and vibrant community where all have the opportunity to thrive.

Learn more about The Center for Nonprofit Excellence and the work being done to improve and strengthen our region's nonprofit sector at: www.fccfoundation.org.