

Risk Management Checklist for Boards

(*Denotes governance practices that are reported on the IRS Form 990)

- Are new board members formally oriented to the mission as well as the programs and activities of the organization?
- Are board members educated about programs and activities of the organization both in orientation as well as periodically throughout the year so that they are able to make informed decisions based on current activities and emerging challenges facing the organization?
- Does the board review the mission statement regularly and compare it to the activities and programs of the organization to ensure that the organization's resources are being expended in fulfillment of the mission?
- Does the board maintain contemporaneous records (minutes) of meetings and keep the records indefinitely in an easy-to-access location for ready reference? Do the board meeting minutes document the decisions made, highlighting the major points of fiscal or strategic import, but not detailing the discussion?*
- Are decisions/actions of committees that have authority to act in place of the full board also recorded contemporaneously?*
- Are dissenting votes recorded by name of trustee who dissented?
- Does the board have operating procedures for such actions as elections and removal of board members, notice of meetings and amendments to bylaws?
- Are the operating procedures and bylaws followed?
- Is the board aware of the confidential nature of many of its discussions?
- Is there a spokesperson designated by the board for communication(s) with the media? Are other board members aware that they should not speak to the media but should refer inquiries to the spokesperson?
- Does the board explore options before arriving at a decision? Does the board ask: "What could go wrong? What will we do about it? How will we pay for it?"

- Before approval of transactions involving expenditure of funds, does the board ask, “Is this the best use of our resources?”
- Are there attendance policies in place and enforced for board members who fail to participate?
- Is the board comprised of a diverse group of members who represent a broad range of expertise, experience, professional and socio-economic, geographic or cultural backgrounds?
- Are board members “independent” meaning that they receive no compensation and have no familial or business relationship with each other or the nonprofit?*
- Are board members provided with regular financial reports well in advance of meetings so that they can read the reports and bring their questions to the meetings?
- Are quorums reached for meetings, and is the requirement of a quorum enforced?
- Do board members stay informed about the organization’s activities? Are background materials provided in advance of each meeting? Do board members ask questions and seek clarification on matters before them?
- Does the board have a conflict of interest policy? Is the policy followed?
- Does the board have a process to facilitate board members’ disclosure of conflicts of interest, such as a conflict questionnaire that is circulated at least annually?
- Does the board engage in a thoughtful process of approving the compensation of the CEO and key employees, that includes comparing the CEO’s salary and benefits to other staff leaders in organizations of similar budget size, similar mission and program activities and in a similar geographic area? Is the process documented in minutes?*
- Is the board made aware of the organization’s policy to protect whistleblowers and the process for employees or clients/consumers to raise concerns and for the organization to address complaints?
- Is the board aware of the organization’s document retention and destruction policy?
- Is the board aware of the organization’s personnel policies and that they apply to the board’s role as supervisor of the CEO/executive director?

- Is the board aware of the insurance coverage the organization has that is applicable to its own conduct?
- Is there a process of (board approval)/(to inform the board) of contracts with vendors and independent consultants that will inform them both who is being contracted with as well as the compensation/payments made?
- Is the board informed about restricted grants to the organization and advised upon their fulfillment consistent with the terms of the restrictions?
- Is the board aware of the process of reaching agreement with donors relating to unusual or non-standard gifts, such as through the use of a gift agreement policy?*
- Does the board review state and federal filings whether or not the review is prior to their being filed with the state or federal government? (e.g., the IRS Form 990)?*
- Is the board aware of the organization's policy to protect whistleblowers?*
- Is the board aware of the organization's policies to retain certain documents and only discard or destroy the organization's business documents in accordance with a document retention/destruction policy?*