



Corporate (For-Profit) Board Evaluation Form

Description

This free assessment tool can be used to get a reasonable impression of the quality of the most important practices in your Board of Directors. It should be completed by all of your Board members and your CEO.

You could use results of this assessment tool to: 1) do an internal analysis as part of an overall strategic planning activity, 2) assess how well your Board compares to various best practices and 3) develop a common understanding among members regarding what needs to be done to improve your Board.

(A separate tool should be used to evaluate other aspects of the organization and should be completed by the employees and CEO. That tool is at <https://managementhelp.org/misc/forprofit-noboard-eval-fml.pdf>.)

Directions for Completion

Next to each practice are the choices: Met, Needs Work, Not Applicable and Don't Know. After reading each practice, place a check mark under one choice to rate how well your Board does that practice today. New members should do the assessment, as well. Do not skip any questions. It is most valid, by far, if each member does it alone and anonymously.

Analyzing Your Results

1. Collect everyone's completed tool and also print one uncompleted copy of the tool.
2. On the uncompleted copy, next to each practice, write the total of the Needs Work's and Don't Know's for that practice, e.g., 4 Needs Work's and 2 Don't Know's = a total of 6 for that practice.
3. Any practice with a total of more than half of the respondents should be implemented in the Board over the next year or so. For example if there were 9 respondents who did the tool, then any practice with a total of 5 or more should be implemented. If there were 10 respondents, then a practice with a total of 6 or more should be implemented.

You are encouraged to form a Board Governance Committee to ensure the necessary practices are included in a Board Development Plan and that that Plan is implemented during the year.

(This tool is provided by Authenticity Consulting, LLC (www.authenticityconsulting.com) and has been adapted from a tool used with permission from the Greater Twin Cities United Way.)

Information in this assessment is not to be taken as legal advice.

	Best Practice on Board of Directors	Met	Needs Work	N/A	Don't Know
Board roles and responsibilities:					
1.	a. Board members understand the mission (and vision and values, if applicable) of the organization.				
2.	b. New Board members are trained about the fiduciary/legal roles and responsibilities of a Board, including that, in their current Board's activities and deliberations, members are to exercise the duties of care and loyalty only to that Board's organization, rather than to themselves or others, while serving on that Board.				
3.	b. Roles of Board members, each committee (if used) and the CEO are clearly defined and communicated among members.				
4.	d. Board regularly delegates relevant activities to each of the appropriate committees and the CEO.				
Staffing and equipping Board members – Board members ensure:					
5.	a. Potential new Board members are identified during the year as part of the Board's succession planning.				
6.	b. New Board members are selected by a quorum of Board members, and the official list of Board members is updated.				
7.	c. New Board members are oriented to the unique aspects of the organization, including its history, products, successes, strategic and business plans, and key management personnel.				
8.	d. New Board members are organized into appropriate committees or task forces each of which matches a current strategic priority and/or recurring major issue to be resolved.				
9.	e. Each Board member has a manual that contains sufficient information for members to conduct their roles, e.g., Bylaws, Board policies, fiscal policies, personnel policies, meeting minutes, resolutions, etc.				
Board committees (or task forces) – Board members ensure:					
10.	a. Each committee or task force has a written description/charter about its overall purpose and its goals for the current year.				
11.	b. Each committee member fully understands the charter of each committee or task force that he/she is on.				
12.	c. Each committee or task force has a work plan that specifies specific goals to be achieved during the year, whether by hands-on work and/or guiding appropriate management to do that work.				
Board meetings – Board members ensure:					
13.	a. All Board meetings are scheduled and announced per terms for Board meetings in the bylaws.				
14.	b. Meeting materials are provided before meetings, in time for members to sufficiently review materials in preparation for the upcoming meeting.				
15.	c. Board meetings are facilitated to a useful agenda that lists topics, timing to address each topic, and the type of action needed for each topic (e.g., approval, resolution, etc.).				

16.	d. Each topic on the agenda receives sufficient attention. If more time is needed for a topic, Board members decide to extend the time or delegate the topic for additional research.				
17.	e. Board receives regular, accurate reports on finances, taxes, product performance and other important matters.				
18.	f. Board attends to policy-related decisions, which guide the activities of members and senior employees.				
19.	g. Each meeting is evaluated, near the end of the meeting, to ensure continuous improvements of meetings.				
20.	h. Members have a process for handling urgent matters between meetings, e.g., the Executive Committee handles these matters and promptly reports them to the full Board.				
21.	i. The Board has an annual calendar of meetings, which specify when important duties are to occur, e.g., Board retreats, planning, evaluating the CEO, updating Bylaws, etc.				
Board policies – Board members ensure:					
22.	a. Board bylaws are reviewed annually and the Board operates according to terms in the Bylaws.				
23.	b. Board has up-to-date, approved and implemented conflict-of-interest policy, of which all members are aware.				
24.	c. Board has up-to-date, approved and implemented Board attendance policy, of which all members are aware.				
25.	d. All Board policies are reviewed and updated as necessary.				
Board’s oversight of legal matters – Board members ensure:					
26.	a. Members ensure all legal filings are current, e.g., annual corporate filings, filings required for publicly traded organizations and filings to relevant tax authorities.				
27.	b. Members ensure all relevant taxes are paid regularly, e.g., federal, state/provincial and payroll taxes.				
28.	c. Board-approved meeting minutes result from each Board meeting.				
29.	d. Board compensation is according to a Board-approved compensation policy that is reviewed annually.				
30.	e. Members ensure compliance with licensing requirements of all software packages.				
Strategic planning – Board members ensure:					
31.	a. All Board members participate in relevant and realistic strategic planning, at least annually.				
32.	b. Planning process includes research to identify the needs, wants and opinions of relevant stakeholders, such as customers, collaborators, key vendors, etc.				
33.	c. Planning process analyzes the opportunities and threats facing the organization, as identified from analyses of political, economic, social and technical influences affecting the organization.				
34.	d. Planning process includes analyses of the strengths and weaknesses of the organization, as identified from objective assessment of the organization.				

35.	e. Planning process identifies suitable strategies and/or goals to address the opportunities, threat, strengths and weaknesses.				
36.	f. Plan includes action plans to address each strategies and/or goal, and specify who will do what and by when to address each priority in the strategic plan.				
37.	g. Strategic plan is communicated to all relevant stakeholders.				
38.	h. Members regularly monitor status of implementation of the strategic plan.				
Board's oversight of products – Board members ensure:					
40.	a. The plan is changed, as needed, in a systematic manner and then communicated to all necessary stakeholders.				
41.	b. Each product is based on meeting the researched/verified needs and wants of certain target markets of customers.				
42.	c. All products are aligned with the organization's mission.				
43.	d. Each product has a product/business plan that specifies its target markets, competitors and unique value proposition.				
44.	e. Products are sufficiently staffed and resourced to provide high-quality services to customers.				
45.	f. Evaluations are conducted of each product to ensure high-quality development, delivery and support to customers.				
46.	g. Product management processes are documented to ensure maximize efficiencies and reliability of each product.				
47.	h. Board regularly monitors and evaluates progress toward each product's performance.				
48.	i. Products and the organization are effectively promoted to each of the major stakeholders, and in a manner that each stakeholder prefers (e.g., social media vs. print vs. radio, etc.)				
Board's oversight of personnel management – Board members ensure: (NOTE: The CEO position is a staff/personnel position.)					
49.	a. The organization has a written personnel handbook/policy that is regularly reviewed, updated and approved by the Board: a) to describe the recruitment, hiring, termination and standard work rules for all employees and b) to maintain compliance with government employment laws and regulations.				
50.	b. The organization has job descriptions for all employees, including qualifications, duties and reporting relationships.				
51.	c. Employees receive adequate training and resources to effectively perform their roles and jobs.				
52.	d. Executive and management positions have annual performance goals that are aligned with their job descriptions and goals from the strategic plan.				
53.	e. CEO is formally evaluated annually by the Board with reference to the job description and performance goals, and includes input from all Board members, and this results in a written performance evaluation.				
54.	f. The organization has a compensation plan for employees, and a periodic review of salary ranges and benefits is conducted.				

55.	g. The organization does succession planning for key roles, including a timely process for filling vacant positions to prevent an interruption of operations.				
56.	h. For the sake of product-based budgeting, the organization maintains contemporaneous records documenting employee time spent in administrative versus product-specific activities.				
57.	i. Staff morale is high and stress levels are manageable, resulting in work that is satisfying for all employees.				
Board's oversight of financial activities – Board members ensure:					
58.	a. Board has approved up-to-date fiscal policies and procedures that are followed, and ensure compliance to relevant rules and regulations, and safety of all assets.				
59.	b. Board approves an annual operating budget, based on funds needed to obtain and develop resources needed to implement the strategic plan and operate the organization.				
60.	c. Board receives accurate and timely reports on status of finances, including as compared to plans and conformance to relevant rules and regulations.				
61.	d. If organization has more than one product, the budget organizes expected revenues and expenses on a per-product basis.				
62.	e. Board ensures adequate risk management arrangements, including suitable insurance and review of insurance.				
63.	f. Board members are trained to analyze and make decisions on financial reports and information.				
Board participation and morale:					
64.	a. All members actively participate in Board activities (and committees, if applicable).				
65.	b. Board members value and trust each other, and feel they can rely on each other to effectively perform their roles.				
66.	c. Overall, Board operates in a planful, proactive manner, rather than reactive, crisis-driven manner.				