

Nonprofit Board Committee Members: Who Should Serve on Which Committee?



Board committees play a crucial role in the effective governance of organizations. They are specialized groups tasked with specific functions and responsibilities, aiding the board of directors in fulfilling its oversight duties.

What are Board Committees?

Board committees are smaller subsets of the board of directors, focusing on specific areas such as strategy, fundraising, governance, development, and finance. They facilitate in-depth discussions, thorough analysis, and recommend informed decision-making on critical matters, thus enhancing transparency and accountability within the organization.

It is also important to note there is no optimal committee size. It strongly depends on the purpose of the committee, the scope of its work, and the size of the full board. Understanding the composition of these committees and ensuring the right individuals serve on them is essential for organizational success.

Types of Board Committees

Here are the five most common board committees. This does not mean that your board should have these five committees. Only ongoing board activities warrant a standing committee. Other activities are best addressed by time-limited task forces.

- **Governance Committee**
- **Development Committee**
- **Finance Committee**
- **Audit Committee**
- **Executive Committee**

Choose your board committee members:

Criteria for Selecting Committee Members

Each of your board members has specific goals, skills, experiences, and interests that may match well with a specific committee. Matching the organization's needs with the board member's goals is key to building an engaged and effective committee.

When selecting members for board committees, several factors should be considered:

- **Expertise and Experience:** Individuals with relevant skills and knowledge in areas pertinent to the committee's function.
- **Independence:** Members who can provide objective perspectives and exercise independent judgment.
- **Representation:** Ensure that your committee membership reflects the diversity of your board and that your board reflects the diversity of your community. This allows for varying perspectives and helps to ensure that all aspects of an issue or task receive adequate consideration.

Leading Practices for Committee Formation

To optimize committee effectiveness and functionality, organizations can adopt leading practices and consider a streamlined committee structure. Different options yield different opportunities for engagement. Learn [how to structure board committees](#) in a way that benefits your organization.

Governance Committee

The governance committee's main role is to institutionalize leading practices in three areas:

1. Strategic board recruitment
2. Effective board engagement
3. Intentional revitalization.

This includes board self-assessment, development, and engagement while ensuring the board is diverse, equitable, and all members feel valued.

Because the governance committee will perpetuate the board, its members should be both visionary and strategic, as well as a microcosm of the board. The governance committee should include people who:

- have a diverse range of backgrounds and a variety of experiences
- are active in the community and in a wide range of circles
- understand human dynamics and relationship-building
- understand the ecosystem in which the organization operates and its collective purpose
- have experience with organizational development
- are respected by the board
- know the organization and the community well
- are knowledgeable of good governance practices
- are willing to question present practices
- can leave personal agendas behind
- have experience in group performance evaluation

GOVERNANCE COMMITTEE

Governance Committee Charter: *(Insert your committee charter here.)*

Governance Committee Chair:

Areas of Expertise/ Leadership Qualities	Current Committee Members A B C D E	Potential Committee Members A B C D E	Notes
Human resource expertise			
Governance expertise			
Organizational development expertise			
Has community connections			
Well respected by board colleagues			
Knowledgeable of organization, ecosystem, and collective purpose			
Other			

Development Committee

Because fundraising is such an important role for many governing boards, many boards choose to create a development committee. The development committee typically works with the board chair, the chief executive, and development staff to develop the fundraising plan and engage the entire board in fundraising.

Each board member, including the development committee members, should make a meaningful **personal contribution** to the organization according to their means. By doing so, each member demonstrates their commitment and trust in the organization, enabling them to function as a more credible fundraiser and inspire other donors.

The development committee will look for members who:

- can communicate effectively and enthusiastically about the organization's mission
- are knowledgeable about the organization and its community and constituencies
- have community connections and networks
- have good people skills and engaging personalities
- are comfortable talking about money and finances with others
- have access to individual, corporate, or foundation resources
- radiate confidence and trust
- have fundraising and/or marketing experience

DEVELOPMENT COMMITTEE			
Development Committee Charter: <i>(Insert your committee charter here.)</i>			
Development Committee Chair: _____			
Areas of Expertise/ Leadership Qualities	Current Committee Members A B C D E	Potential Committee Members A B C D E	Notes
Fundraising experience			
Marketing experience			
Strong communications skills – writing and public speaking			
Financial management skills and experience			
Leadership skills			
Key community and constituency connections			
Other			

Finance Committee

Some nonprofits have one finance committee that carries out all of the duties associated with financial oversight. Others have separate finance, audit, and investment committees. BoardSource recommends organizations that conduct an independent audit have a separate audit committee or task force for added accountability. Separate investment committees are needed when an organization accumulates sizable reserves, manages an important planned giving program, or has an endowment that requires special attention.

The core functions of the finance committee are to:

- help the rest of the board understand financial statements and the general financial situation of the organization
- oversee organizational financial planning, including the budget
- monitor that adequate funds are available for the organization
- safeguard organizational assets
- draft organizational fiscal policies

- anticipate financial problems
- ensure the board receives accurate and complete financial information for review
- make sure federal, state, and local reporting takes place

In general, staff prepare the budget and monitor income and expenditures daily. The finance committee provides oversight by reviewing financial statements and the budget and ensuring that the board's policies and strategic priorities are reflected in the budget. When reviewing financial reports, the finance committee asks, "Are we on track? If not, why not?"

Even though some board members may feel unprepared to serve on the finance committee, consider asking all board members to serve at least one term. This allows them to optimize their knowledge about the organization's finances and participate fully in financial oversight.

The finance committee will look for members who have experience in the following:

- Budgeting
- Real estate
- Investments
- Operating a business
- Banking
- Accounting, specifically knowledge of nonprofit accounting and GAAP (generally accepted accounting practices)

FINANCE COMMITTEE			
Finance Committee Charter: <i>(Insert your committee charter here.)</i>			
Finance Committee Chair: _____			
Areas of Expertise/ Leadership Qualities	Current Committee Members A B C D E	Potential Committee Members A B C D E	Notes
Financial planning experience			
Budgeting experience			
Real estate experience			
Investments experience			
Accounting experience			
Experience running a business			
Banking experience			
Attention to detail			
Willing to ask questions, raise flags			
Other			

Audit Committee

The principal responsibilities of an **audit committee** are to manage the audit process, select the independent auditor, review the audit report with the auditor, present the report to the full board, use the independent auditor as an advisor, and ensure compliance with all reporting requirements.

In some smaller organizations, the finance committee takes on the duties of an audit committee. However, as a form of internal control, BoardSource recommends separating the audit from general financial oversight and suggests using another work group to oversee the audit. This helps ensure that those overseeing the process are objective and independent" and free to make unbiased judgments about internal financial procedures.

It is also important to note that some states have laws that require some nonprofits to create and maintain an audit committee and that, if the organization also has a finance committee, it must be separate from the audit committee.

While the finance and audit committees should not have overlapping membership when possible, the experience and skills required for each committee are very similar. If, due to a limited number of board members, the committees must share members, it is strongly recommended that the same person not serve as the chair of both committees.

The audit committee should look for members who have experience in the following:

- Accounting
- Banking
- Investments
- Financial management

If you have a limited number of board members with this experience, and the bylaws allow, it is acceptable for non-board members with this expertise to serve on the audit committee. However, they cannot participate in any formal deliberations or vote.

AUDIT COMMITTEE			
Audit Committee Charter: <i>(Insert your committee charter here.)</i>			
Audit Committee Chair: _____			
Areas of Expertise/ Leadership Qualities	Current Committee Members A B C D E	Potential Committee Members A B C D E	Notes
Accounting experience			
Banking experience			
Investments experience			
Financial management experience			
Attention to detail			
Willing to ask questions, raise flags			
Other			

Executive Committee

The executive committee is a small group of board members — usually including the board chair, other officers, and the chief executive as an ex officio member — that has, as the bylaws allow, the authority to make decisions on behalf of the full board.

Committee chairs may also sit on the executive committee. Like all committees, the overarching role is to help the board do its work most efficiently. Its specific duties vary considerably from board to board and are largely dependent on the context of the board.

All boards do not need a standing executive committee. Executive committees have been known to assume so much autonomy that they take over board decision-making, leaving the rest of the board complacent, disengaged, or even alienated. Because of this, many boards responsibly choose not to have an executive committee that meets regularly. They may keep the authority but only use it in the case of emergencies or crises when the entire board can not be convened quickly.

Unlike other board committees, the executive committee's membership should be addressed in the organization's bylaws. The list of members who serve on the executive committee will be outlined in the organization's bylaws and typically includes the board chair, other officers, committee chairs, and the chief executive in an ex officio role.

In general, executive committee members should be

- respected by the board
- know the organization well
- have no personal agendas
- have a diverse range of backgrounds and a variety of experiences

EXECUTIVE COMMITTEE

Executive Committee Charter: *(Insert your committee charter here.)*

Executive Committee Chair:

Executive Committee Membership as Stipulated in Bylaws:

Board Position	Current Committee Members A B C D E	Notes

How are board committee members typically chosen?

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What is the role of the nominating committee?

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