

Understanding the Role of the Governance Committee

By [QuickBooks Canada Team](#)

If you're working in or dealing with businesses in the nonprofit sector, you've probably heard of a governance committee. Whether you're planning on starting a new nonprofit or expanding an existing one, you should know about the roles of a governance committee and how this committee can benefit your company.

Governance Committee Versus Board of Directors

[A governance committee](#) is a group of individuals tasked with ensuring that a nonprofit's board of directors is functioning appropriately and efficiently. The [board of directors](#) is the group of people that helps to control the overall direction of the nonprofit organization, voting on the outcome of significant, long-term decisions and advising the organization's executive director. Individuals on a board of directors, who are usually volunteers, act on behalf of the members of the nonprofit. A governance committee is primarily concerned with monitoring the activities of the board of directors, rather than those of the nonprofit as a whole, though both groups are usually in frequent contact with the executive or artistic director of the nonprofit in questions.

The Structure of A Governance Committee

Governance committees usually have an equal or slightly smaller number of individuals than the corresponding board of directors. The size of both bodies varies depending on the size and scope of the nonprofit. In general, a governance committee has at least one member to represent every separate set of experience and skills on the board of directors. A board of directors for a nonprofit art gallery, for instance, might contain artists, curators, and gallery owners. The governance committee of that gallery, then, would have at least one member with experience in each of those fields. The existing board of directors usually elects the chairperson of a governance committee. The committee is generally expected to [meet at least four times per year](#), or once per quarter, though typically they meet more often.

The Benefits of a Governance Committee

A functional governance committee provides added assurance that a nonprofit is working effectively toward furthering its cause. Because nonprofits are often seen as moral pillars of a community or a society, having a governance committee helps assure members and donors that their money is being used reasonably for the intended purpose. A governance committee also helps prevent stagnation on a board of directors by ensuring that there is regular change in the ranks of the board. Governance committees devise ongoing systems for educating, evaluating, and promoting board members, creating an environment in which board members must continually display active dedication to the company's cause. The committee can also be tasked with evaluating the efficacy of individual policies and creating new recruitment materials. In any nonprofit, a governance committee's most basic duty is to ensure that the organization is fulfilling its fullest potential within its field. An effective governance committee means an effective board of directors, which in turn leads to a more functional and efficient nonprofit organization.

References & Resources

- nonprofitquarterly.org
- volunteer.ca
- guidestar.org