

What Does a Nonprofit Governance Committee Do?

[Nick Price](#) July 16, 2018

A nonprofit governance committee performs many of the same duties and has many of the same responsibilities as a governance committee for a for-profit corporation. Like for-profit entities, nonprofit organizations often formally combine the function of the nominating committee with that of the governance committee.

If we think about [governance](#) as an entity that establishes policies and monitors their implementation with the goal of leading the organization toward prosperity and sustainability, we can see that the governance committee is responsible for overseeing how the board manages itself.

A [committee charter](#) outlines the duties and responsibilities of the governance committee. Typical duties for a governance committee include recruiting and interviewing candidates for board directorship and making recommendations to the board. It's customary for governance committees to create a pipeline of qualified board candidates to fill board director vacancies as part of succession planning, which supports best practices for boards.

In addition to helping compose a well-rounded, skilled board, governance committees monitor governance and compliance issues, such as conducting annual meetings and audits and filing the appropriate paperwork with state authorities. The governance committee makes reports and recommendations to the board on new and evolving compliance matters.

In governing themselves, governance committees support and encourage opportunities for board development. They usually also take the lead in conducting annual evaluations for board directors, committees and the board as a whole.

In similar fashion, the governance committee takes the lead in conducting an annual evaluation of the executive director, if there is one, and setting the executive director's compensation according to the board's compensation policy. The

governance board also takes responsibility for recruiting and [succession planning](#) for the executive director.

Committee Charter Outlines Role of Governance Committee

The committee charter outlines the role of the governance committee, including its purpose, membership, responsibilities and procedures.

Purpose

The statement of the committee's purpose will describe whether the governance committee is a standing committee or an ad hoc committee. The section of the charter that describes the purpose usually also states that the board of directors appoints the chair and the members of the governance committee. The stated purpose includes things like overseeing and evaluating the board's performance, along with overseeing and evaluating compliance with legal entities and guidelines.

Governance committees that also serve as nominating committees may include statements about how to recruit and nominate board members in the section under the nonprofit's section on purpose.

The purpose section may also include a requirement for all board directors to serve on at least one standing committee.

Committee Membership

Committee charters for governance committees will include the [minimum and maximum numbers](#) the committee should have and describe any other requirements the board decides. The charter describes whether the committee should be led by a chair or co-chairs, as well as how members may be appointed or removed.

Authority of the Committee

Boards get to decide how much or how little [authority](#) the governance committee has. To be effective, most boards give their governance committees unrestricted

access to board directors and employees and require all board directors and employees to cooperate with the governance committee, as they may be requested to.

Governance boards may request directors and officers to supply any reports they need in connection with their duties under the committee charter.

At times, governance committees may need to seek advice or counsel from outside experts. Knowing this, boards usually give governance committees the authority to hire third-party experts to assist them in carrying out the duties of the committee. This includes hiring or retaining the services of search firms to aid in identifying qualified board director candidates.

Responsibilities of Committee

The charter for the governance committee will clearly indicate the committee's responsibilities. Typical responsibilities assigned to governance committees include:

- Overseeing all aspects of the organization's functions on behalf of the board
- Making recommendations to the board on governance policies, practices and procedures related to nonprofit organizations
- Monitoring compliance with nonprofit governance regulations and, accordingly, providing prudent and timely guidance to the board
- Monitoring and assessing the relationship between the board and managers and making recommendations to the board to ensure that the board continues to function independently from the management
- Reviewing and approving changes recommended by management, including issues regarding disclosures, policies and ethical considerations

Director Nomination and Evaluation

The governance committee is responsible for how the board governs. This makes the governance committee the most appropriate group to make recommendations to the board about the minimum qualifications of director candidates and the process for recruiting board directors. Governance committees consider various factors in their recruitment decisions, such as:

- Diversity of background and experience
- Diversity of race, ethnicity and gender
- Business or industry experience and specialized skills
- Age
- Community leadership and involvement
- Potential conflicts of interest

Governance committees usually recommend a slate of directors to fill vacancies at the annual elections.

Governance committee responsibilities usually extend to overseeing the board director orientation process, board development and reappointments.

Board and Committee Evaluation

Dedicated governance committees will make it an annual practice to review the standing and ad hoc committees (including its own charter) for appropriateness according to the stage of the nonprofit's development and make recommendations for changes to the board.

Nonprofit organizations don't have any legal requirements for conducting board evaluations, although most nonprofits find them valuable. Governance committees usually take the lead in conducting and analyzing board and individual evaluations.

Meetings, Reports and Procedures

Committee charters usually indicate how often the committee meets and whether meetings can be held by teleconference or videoconference. This section of the committee charter will also outline any required procedures for producing agendas in advance of the meetings, recording minutes during the meeting and handling minutes after the meeting.

The Final Wrap-up on Nonprofit Governance Committees

Nominating and governance committees are usually standing committees with ongoing responsibilities.

Because of their focus on governance and the fact that nonprofit organizations are largely self-governing entities, a governance committee is perhaps the most important committee of the board. The gravity of the governance board demands that nonprofit boards should choose the members of their governance committees with careful thought and wisdom.

It's also wise to consider that nonprofit organizations go through stages and cycles of maturity. Boards can and should amend the charters of the governance committee and other committees to meet the needs of the organization in light of their current stage and [developmental cycle](#).