



**BOARD OF DIRECTORS  
ASSESSMENT CHECKLIST**

**PURPOSE OF THIS DOCUMENT**

The Division of Housing and Community Renewal (DHCR) has funded not-for-profit neighborhood/rural preservation programs (NFPs) since 1977. During this time many of these organizations have developed into multi-service agencies. In addition, the State and federal housing programs available have grown in diversity and complexity. Many NFPs have experienced varying degrees of difficulty adjusting to the changes associated with this growth and diversification. Staffing patterns often change dependent upon the programs the NFP delivers and the resources available to them. These changes have resulted in a greater need for a diverse and well trained Board of Directors.

As a member of the Board of Directors (Director), you are responsible for the fiscal health and overall well being of the corporation. It has been DHCR's experience that there is a strong need for the organization's Board to review and analyze their capacity and the assess their strengths and weaknesses on an annual basis. These steps are necessary in addition to reassessing the organizations mission statement to insure that you are meeting the needs of those within your service area.

The attached checklist is offered as a self-assessment tool for Directors when undertaking this evaluation. It presents an overview of general concepts and standards of operation which will serve as a useful reference to the Directors in carrying out their Board membership responsibilities.

**ROLE OF BOARD MEMBERS**

Membership on a Board is a responsibility and carries with it a serious commitment from both the individual and the organization for which they are serving. One should consent to be a Director only if one is prepared to devote the attention and effort required to fulfill the duties and responsibilities as outlined by the organization. This commitment requires common sense, practical wisdom and informed judgement. It is the responsibility of the Directors to maintain vigilance over fiscal matters and corporate activities.

Directors must review and comprehend the financial statements of the organization in order to make sound, informed decisions. This understanding of financial matters will assist the Executive Director whose responsibility is to manage the day-by-day operations of the organization.

## **DIRECTOR'S GUIDELINES**

In addition to the primary responsibility of being knowledgeable and well-informed regarding corporate responsibilities and activities and in order to be diligent in their duties, Directors should follow these general guidelines:

1. Carefully review and understand the organization's Articles of Incorporation and By-Laws;
2. Be familiar with the facilities, personnel and programs of the organization;
3. Understand the performance contracts of the organization and see that all conditions are adhered to;
4. Require Board orientation and training for new members, review Board composition and stagger terms in order to avoid major turnover in Directors;
5. Attend all Board meetings and require that these meetings are held on a regular basis;
6. Establish basic objectives and policies of the organization and ensure that they are adhered to;
7. Elect the required officers of the organization and review their performance;
8. Delegate specific authority to officers/staff, to sign contracts, open bank accounts, sign checks and engage in other activities as may require Board approval;
9. Ensure that an agenda is distributed prior to each Board meeting and that preparation time is given to those items;
10. Ensure that minutes of each Board meeting are recorded and distributed with the following months agenda and that the minutes are ratified at that meeting.
11. Approve important financial, business and policy matters of the organization and ensure that annual and interim reports are prepared as required. Attention should be given to employee's withholding, social security, unemployment and workers' compensation taxes; and
12. Require that an annual retreat for the Board of Directors is held for strategic planning issues and for training.

## **HOW TO USE THIS DOCUMENT**

This checklist should be used as a first step in assessing the business practices and knowledge of the Board. It should be distributed to each Board member to be completed independently, followed by a full Board discussion to begin to address how areas of weakness can be addressed.

The Board may decide that appropriate follow-up is to schedule a Board retreat. The retreat may entail your Board developing a training Orientation Packet for new members; strategies for attracting new members; creating a Board member assessment form; updating the bylaws; or reviewing your agency's goals and programs, etc. This can be a major yet important undertaking for the long-term viability of your organization. The Division of Housing and Community Renewal has technical assistance providers which you may request to assist you. If you require assistance, complete the Technical Assistance Request Form at the end of this checklist and return it to your DHCR Regional Office.

The following pages are broken down into five major categories of concern to Board members:

1. Composition
2. Recruitment
3. Operating Procedures
4. Responsibilities
5. Fiscal Management

Read each section before checking off your response. Once you have read each statement or question, check your response yes or no to the best of your knowledge.

Once the checklist is completed the full Board of Directors should outline the strengths and the weaknesses of the Board operations.

## Composition of the Board of Directors

- ▶ Does your board contain the number of members stipulated in your By-Laws? Yes  No   
(refer to NPP/RPP Policy Manual for DHCR requirements)
- ▶ Is there currently a Board Chairperson, Vice-Chairperson, Secretary and Treasurer? Yes  No
- ▶ Do your Bylaws include term limits for both Directors and Officers? Yes  No
- ▶ Do Bylaws clearly establish criteria for removing inactive members? Yes  No
- ▶ Do Bylaws clearly define responsibilities for the Directors and the Officers? Yes  No
- ▶ Are the majority of your board members residents of your service area? Yes  No   
(refer to NPP/RPP Policy Manual for DHCR requirements)

## Recruitment to the Board of Directors

- ▶ Are new board members recruited on a regular or on-going basis? Yes  No
- ▶ In recruiting board members, does your organization:  
(check as many as apply)
- Have a nominating committee? Yes  No
  - Do all Board members and the Executive Director actively identify and solicit potential new board members who will address the needs as identified by the Board? Yes  No
  - Invite potential Directors to be “members for a day”? Yes  No
  - Rank candidates from a list provided by the nominating committee? Yes  No
  - Provide prospective Directors with a board orientation packet so they are made aware of the time commitment and their responsibilities? Yes  No
  - Interview prospective Board members? Yes  No
  - Have an advisory council to use as a training ground? Yes  No
  - Have an application form to be filled out by prospective candidates, listing particular expertise, availability, understanding of mission, interest in the organization, and references? Yes  No
  - Approach corporations/businesses in your community to let them know you’re interested in volunteers or potential board members from their workpool? Yes  No
- ▶ Do new Directors “go to the office” for part of a day or all day for an orientation and a firsthand look at what your organization does for the community? Yes  No
- ▶ Does your Board work at “continuing education” such as attending workshops, spending a short period of time on issues Directors want to know more about, bringing in experts or holding a retreat? Yes  No
- ▶ When your Board has a conflict, do you table the issue to allow Directors to rethink their opinions, gather materials to support a position or refer the issue back to committee? Yes  No
- ▶ At the end of your term, do you evaluate yourself to determine if you are still an active and interested Director making a contribution to the organization? Yes  No

- ▶ Is recruitment aimed at creating a board with necessary skills and varied viewpoints in addition to being a community resident?  
(refer to NPP/RPP Policy Manual for DHCR requirements.) Yes  No
- ▶ Do your Directors include persons with corporate affiliation, technical expertise, financial and managerial experience, familiarity with government agency contracts, fund-raising skills and community contacts? Yes  No
- ▶ Is an information/orientation packet given to new Directors containing: a welcome letter, an annual meeting schedule, a list of names and addresses of all Directors, roles and responsibilities for Directors and Officers, prior year Meeting minutes, Bylaws, personnel policies, and office procedures? Yes  No
- ▶ Does the board assign a “mentor” who will take the time to orient a new Director? Yes  No
- ▶ Is an orientation scheduled for new Directors, as well as an annual refresher class for the entire board? Yes  No
- ▶ Is there a follow-up evaluation/feedback period where the board and the new Director assess the new Director’s long-term potential effectiveness, interest and commitment to the organization’s goals? Yes  No

## Operating Procedures of the Board of Directors

- ▶ Does your board hold at least ten meetings each year, one of which is the annual meeting? Yes  No
- ▶ Are agendas prepared and distributed in advance of the meeting? Yes  No
- ▶ If you receive agenda information that is unclear, do you contact your Executive Director for clarification prior to a Board meeting to increase the effectiveness of Board meetings? Yes  No
- ▶ If a non-agenda item is brought up that is not of particular urgency, does the Board move the item to next month's agenda to allow adequate preparation? Yes  No
- ▶ As a Director, do you
- actively participate in meetings? Yes  No
  - practice the art of compromise? Yes  No
  - practice the art of listening? Yes  No
  - work toward consensus on all issues? Yes  No
- ▶ Do meetings begin and end on time? Is the duration of meetings 2.0 hours or less? Yes  No
- ▶ Are committees established with defined mission statements and regular meeting schedules? Yes  No
- ▶ Do Directors put in time outside of meetings, such as preparing for meetings, serving on a committee, attending fund-raisers, workshops, grant meetings, consultation with experts, etc.? Yes  No
- ▶ Are all Directors required to serve on at least one committee? Yes  No
- ▶ Do your committees have clear goals and objectives? Yes  No
- ▶ Do you disband outdated committees and create new ones as needed? Yes  No
- ▶ Do you evaluate your committees' performance? Yes  No
- ▶ Do your committees provide a standardized one to two-page summary for committee recommendations/decisions as a part of an agenda packet and avoid wasting valuable meeting time? Yes  No
- ▶ Are decisions made on a committee level? If Board does not accept recommendation of a committee, does the issue go back to committee rather than have the full Board deal with the issue? Yes  No
- ▶ Are meetings conducted according to a standard such as Roberts' Rules of Order? Yes  No

- ▶ Is a written record of each board meeting kept, distributed in a timely fashion to all Directors, and ratified at the following meeting? Yes  No
- ▶ Does the board make informed decisions in a timely fashion? Yes  No
- ▶ Does the Board Chair meet regularly with the Executive Director to discuss his/her priorities and relay these to the Board? Yes  No
- ▶ Does the Board Chair keep Directors informed about issues and developments? Yes  No
- ▶ Does the executive committee meet on a regular basis? Yes  No
- ▶ Does your organization have a system for marking “confidential” information distributed to Directors? Yes  No
- ▶ Do Directors maintain strict confidentiality with all sensitive client and corporate information? Yes  No
- ▶ Are signed DHCR Conflict of Interest statements on file, both in your office and with DHCR for each Director?  
(refer to NPP/RPP or NRDP Policy Manual for DHCR requirements) Yes  No
- ▶ Is written notice given to DHCR within five days of any changes in Board composition?  
(refer to NPP/RPP or NRDP Policy Manual for DHCR requirements) Yes  No
- ▶ Does the Board evaluate the Executive Director annually on the basis of the job description, performance and extent to which the organization's mission statement was accomplished? Yes  No
- ▶ Has the Board defined the job requirements of its Executive Director, including education and experience, salary range and duties? Yes  No
- ▶ Has the Board approved Personnel Policies which include but are not limited to leave accruals, work hours and holiday schedules for all employees? Yes  No
- ▶ Is there a clear separation of Board and staff roles? Yes  No
- ▶ Is there an Affirmative Action Plan in place for employment and letting of contracts? Yes  No
- ▶ Does the Board approve time sheets including accruals for the Executive Director? Yes  No

## Responsibilities of the Board of Directors

- ▶ Is the Board aware of its responsibility to supervise the Executive Director and the Executive Director's responsibility to supervise the staff? Yes  No
- ▶ Does the Board ensure compliance with all applicable laws and regulations? Yes  No
- ▶ Is there a clearly written mission statement? Yes  No
- ▶ Is the mission of your organization clear to each Director? Yes  No
- ▶ Are the organization's programs consistent with its mission statement? Yes  No
- ▶ Is the existing Board and staff capable of carrying out that mission? Yes  No
- ▶ Is the mission statement revisited at least annually and an assessment made of the organization's progress in meeting its goals and determining if the organization meets the needs of the service area? Yes  No
- ▶ Does the Board advocate for the community's needs and inform the community about the organization's accomplishments? Yes  No
- ▶ Do Directors always act in the best interest of the organization rather than their own personal interest? Yes  No

## Fiscal Management by the Board of Directors

- ▶ Do Directors understand basic terms and concepts of financial management? Yes  No
- ▶ Does the Board have a treasurer? Yes  No
- ▶ Does the Board have a standing financial committee that oversees the Company's finances? Yes  No
- ▶ Are payroll and other taxes paid on time? Yes  No
- ▶ Does your Board help to develop, as well as approve, the annual budget? Yes  No
- ▶ Is there a clear plan for raising and managing money? Yes  No 
  - Does the Board establish an annual fund-raising goal? Yes  No
  - Do you take initiative in developing new ways to bring money into your organization? Yes  No
  - Does the Board hold annual fund-raising campaigns (direct mail, phone solicitation and personal contacts), special events and capital campaigns? Yes  No
  - Does the Board assess the effectiveness of fund-raising events and evaluate their success? Yes  No
- ▶ Do Directors contribute financially to the organization according to their individual ability? Yes  No
- ▶ Is the Board aware of its responsibility to raise funds for the organization? Yes  No
- ▶ Do all Directors receive quarterly balance sheets with a consolidated accounting of all assets and current liabilities? Yes  No
- ▶ Are quarterly balance sheets prepared within 30 days of the end of each quarter by a capable in-house accountant/bookkeeper or an external service bureau? Yes  No
- ▶ Are monthly financial reports provided to the Treasurer and members of the Financial or Executive Committees and all Directors? Yes  No
- ▶ Do monthly reports show comparative figures for the same period of the preceding fiscal year? Yes  No
- ▶ Does the Finance Committee suggest improvements in the formats and presentations of financial reports? Yes  No
- ▶ Does the Board review reports to be submitted to funding agencies? Yes  No
- ▶ Are reports prepared and submitted to funding agencies on time?  
[refer to NPP/RPP or NRDP for Reporting Schedule (Appendix C)] Yes  No

- ▶ Are Directors, staff, and company auditors aware of specific financial management requirements of DHCR and other funding agencies?  
(See DHCR Audit & Accounting Manual) Yes  No
- ▶ Does the Board ensure that the Corporation is maintaining proper books and records that will facilitate a formal audit process in conformity with generally accepted accounting practices, procedures and standards?  
(See NPP/RPP Policy Manual and DHCR Audit & Accounting Manual) Yes  No
- ▶ Does the Board contract for an annual audit and respond to any findings? Yes  No
- ▶ Does the Finance Committee review the annual audit and make recommendations to the Board? Yes  No
- ▶ Does the Treasurer, Finance Committee, President and staff meet with the auditor for an entrance and exit conference? Yes  No
- ▶ Do Directors ask key questions at the exit conference, including:
  - Is money owed to any funding source for disallowed or ineligible costs? Yes  No
  - Are there any unspent funds? Yes  No
  - Have any findings been identified regarding internal controls or compliance believed to jeopardize company funding? Yes  No
  - What are the auditor's recommendations for corrective action? Yes  No
  - Is there an adverse or disclaimer of opinion? Yes  No
  - What are the specific steps to be taken to implement auditor's recommendations? Yes  No
- ▶ Does the organization issue a Request for Proposal (RFP) for audit services every 2-3 years? Yes  No
- ▶ Does the Board ensure that adequate internal controls are in place to protect assets and limit risks? Yes  No
- ▶ Does the Finance/Audit Committee recommend policy and an Accounting Procedures Manual for full Board approval? Yes  No
- ▶ Does the Finance Committee recommend the auditor to the full board? Yes  No



**NYS Division of Housing and Community Renewal  
Office of Community Development**

**Technical Assistance Request Form**

**I. To be completed by Preservation Company if technical assistance requested.**

To: DHCR Regional Office

From:

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Type:       NPP       RPP       NRDP

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Re: Technical Assistance

Our organization has recently completed the DHCR Board Checklist.  
Check all that apply:

Request for direct assistance  
Nature of issues/problems to be addressed

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Future Workshops

Topic: \_\_\_\_\_

**II. To be completed by DHCR Staff**

A. T.A. Provider:

Recommend Assistance be Provided by:

- Outside Consultant/NP/RH Coalition
- Other Preservation Company (specify) \_\_\_\_\_
- DHCR Staff (specify) \_\_\_\_\_

B.. Time Estimates:

Is a site visit recommended as part of the **assessment**?     Yes             No

Estimated number of hours required for **initial assessment**\*(0-8):                      \_\_\_\_\_ (hours)

C. Approvals

_____	_____
Field Representative	Telephone Number
_____	_____
Regional Director	Date
_____	_____
Technical Assistance Program Manager	Date

Regional Office forwards Request to:

Program Manager  
Technical Assistance Unit  
Division of Housing and Community Renewal  
One Fordham Plaza - Room S219  
Bronx, New York 10458

cc: CSB Program Manager

\* The DHCR staff contact will approve a workplan before additional T.A. is provided