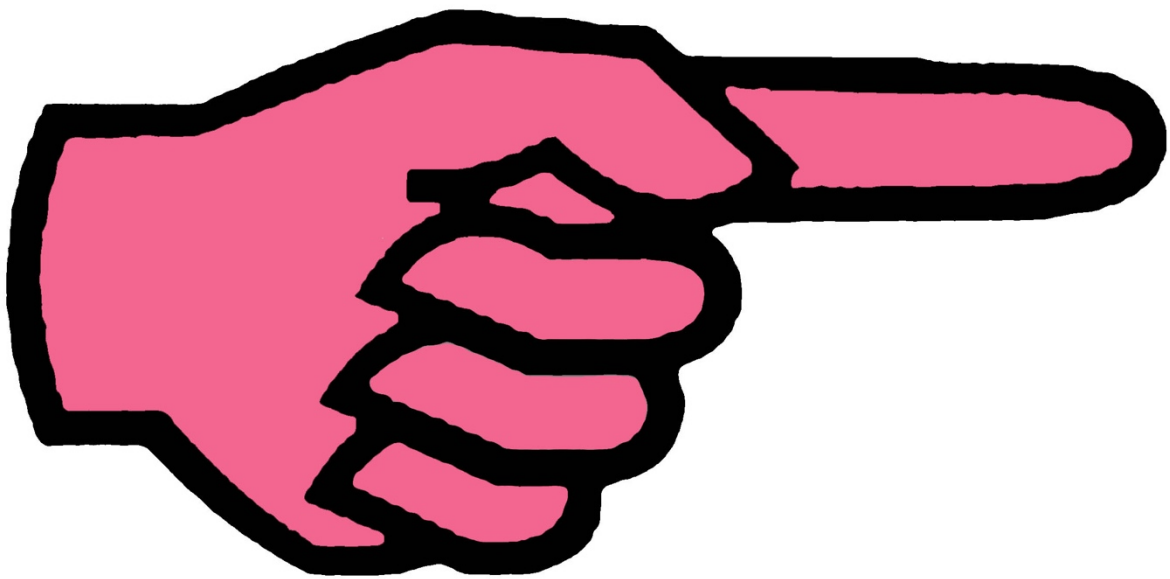




## NGO Governance



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## ***Building an NGO***

“The people who are crazy enough to think they can change the world are the ones who do.”  
— Rob Siltanen

NGOs are born out of a desire to solve a problem, meet a need, or change the world. An NGO is a tool to bring people together to work for a shared cause. They often start out as small organisations with a group of friends as members of the governing body and volunteers taking care of work tasks.

Through experience the organisation evolves from a group of friends managing all aspects of the NGO to one that depends mostly on hired staff to handle the operational level activities. Making the transition from a small group of dedicated individuals to an effectively governed, professionally managed organisation can be challenging, and NGOs can get stuck in the zone where they resist this change. Reaching effective governance requires conscious efforts to develop the way the organisation works and how it is run.

### ***The board***

NGOs are directed by a governing body, most often called a board. A board should be a group of competent individuals who advance the organisation’s mission and long-term welfare. An effective board organises itself to carry out its responsibilities.

The board of an or NGO is elected at the annual meeting by the members. There are usually more than three board members in associations.

The board is accountable to the members for their actions and what has not been done. If the board loses the members' trust, the members can dismiss the board or an individual board member at an annual meeting.

Board members are more likely to stay active if they have meaningful work and clear roles. Thank board members for their work and create a sense of community and commitment.

### ***Election of board***

An active association also requires an active board. Finding committed and motivated board members is key to successful NGO governance. The board members can each contribute to the benefit of the organisation through their own skillset and at the same time, they should be willing to learn. A diverse board will increase the board’s effectiveness and give a variety of perspectives that is needed for good thinking and decision making in the organisation.

The NGO’s statutes state when and how the board and its chairperson and vice chairperson are elected. This can only be done at an annual meeting (member meeting).

### ***Board’s responsibilities***

The board shall carefully handle the organisation’s affairs in accordance with law, as well as the organisation’s statutes and the annual meeting’s decisions. The board also carries responsibility for the organisation’s accounting and finances. Strategic thinking defines the board’s leadership role.

The board is responsible for ensuring that the organisation's purpose is realised and that the organisation's work is evaluated and developed. It is important that the board keeps a close eye on its members' changing needs and listens to the members' opinions and expectations. The board also monitors how the organisation's operational environment changes and adjusts the organisation's activities as needed.

The annual meeting has the decision-making power in an NGO, while the board is the executive governing body that makes certain the organisation is working to fulfill its mission. The board has a joint responsibility and is held accountable before the annual meeting. The annual meeting approves the board's activities by considering the annual report, financial statements, audit or activity review report and by granting discharge from liability. However, the annual meeting does not decide on matters that belong to the board, such as hiring staff. If the members are not satisfied with the board, a new one will be appointed at the annual meeting.

The long-term goals of the organisation are formulated in statutes and through strategic processes and documents. The board should use these as guidelines for leading the organisation in the right way towards the organisation's vision. The board develops strategies to ensure that the strategy of the organisation is being implemented. The board monitors the effectiveness of the organisation's work to see if they have met the goals and objectives outlined in the plans. The Board can appoint different working groups to facilitate its work.

To manage the daily operations of the NGO, the board appoints an executive director, a Secretary General or a Chief of Operations (CEO). The responsibilities, authority, and working relationships of board and employees should be clearly defined. The board makes assignments to the executive director and monitors their work. Team members of a productive NGO respect and support each other.

Board members should be aware of all of the organisation's activities and encourage participation in the community's activities. They should actively seek opportunities to enhance the public image of the organisation.

### ***Chairperson and vice chairperson***

The chairperson is actually the chairperson of the board, although in everyday speech people usually talk about the organisation's chairperson. The formal position is not stronger than for other members. In practice, however, the chairperson can have a great influence on an association. A good chairperson is a person who is sociable and gets along with different people. A good chairperson also dares to take risks, encourages active participation and tolerates uncertainty and differences of opinion. A chairperson who has strong motivation to promote the organisation's goals and lead the work of the team has great potential to succeed. A wise chairperson also knows how to delegate work to other team members.

Being a chairperson includes the tasks of leading meetings. To succeed in this, the chairperson of the board must have deep understanding of the organisation and an ability to make decisions quickly. The vice chairperson's task is to act as the chairperson's deputy when the chairperson does not have the opportunity to fulfill their role.

### ***Board members***

The statutes determine how many board members there are in the association. The number can be a fixed or varying number. A large board can be ineffective, but on the other hand it may represent all interest groups within the association. The optimal number of board members for efficient work is between five and seven.

It can be a rule that the board member may sit on the board for a maximum of a certain number of years in a row or there may be an upper age limit. The board members may be appointed with special areas of responsibility according to their interest and expertise.

The statutes of the NGO state how long the mandate of the board members is. Usually this is between one to three years. If the mandate is very long, it threatens the democracy of the association. Unless otherwise provided in the statutes of association, the board begins its work as soon as it is elected.

A supporting document such as a board member handbook and building understanding of the strategic level leadership help new board members to hit the ground running and for the organisation to stay on track even when the board members are changing.

### ***The board resigns***

Sometimes situations can arise when part of or even the entire board resigns. Or that the old board's mandate has ended without a new board being elected. Such a situation may arise if the members' meeting has been held too late, or if the meeting has not succeeded in electing a new chairperson or board.

An NGO can never be without a board and thus the old board is going to continue until a new one has been elected. The primary task is then to organise a members' meeting that elects a new board. A board member can resign in the middle of their mandate at any time and for any reason.

### ***The organisation's signatory***

The chairperson of the board has the right to sign in an NGO. The statutes may stipulate that the name of the organisation is also signed by the vice chairperson, other board members or executive director.

### ***Secretariat***

In small organisations, the executive director often takes care of most of the Secretariat's key duties. Other positions at an NGO can for instance be a treasurer, an administrator or project manager.

The Secretariat's tasks include writing minutes. The staff handles most of the association's correspondence and keeps in touch with the authorities. Together with the chairperson, the employees prepare proposals for the activity plan and annual report, which are considered by the board and approved by the annual meeting. The staff collects and shares the meeting documents. Other secretarial tasks may include, for example, the maintenance of the membership register, practical arrangements for meetings and archiving.

A treasurer or an administrator is often responsible for the management of the daily, practical finances. The executive director assists the board in planning the finances, i.e. makes interim

financial statements and the budget, and calculates financing. The staff should ensure that the board writes down all important financial decisions in the minutes. The board as a whole has the ultimate responsibility for the association's finances and financial statements.

One of the Secretariat's key tasks in an NGO is writing funding applications and reports. All in all, the roles can be diverse, and it is important to keep the employees' roles clear and have them fit the current needs of the organisation.

### ***Board+staff=Team***

The civil society is built on the ideal of diversity and democracy. Therefore NGO's should work as an example and a practice platform for democratic practices such as dialogue. Good communications and clear roles create good governance and improve the effectiveness of the organisation. NGO board and staff can function as a good example of organisational culture where dialogue, diversity and thinking together are seen as a strength of the organisation.

A well-oiled team is the key unit for a successful NGO. The way an organisation's central persons work as a team should not be taken for granted but instead, time should be dedicated for conscious development of the way the team works together. A successful organisation needs a core team with skills that include creative problem solving, dialogue, reflection and seeing the bigger picture.

### ***Questions to reflect on:***

- Are the board's and employees' roles and responsibilities clear in your NGO?
- Do you have a document that explains board's role and responsibilities to potential new board members?
- Have you dedicated time to develop teamwork and the organisation?
- How effective and developed is the governance of your organisation?
- What happens in your organisation when the whole board or members of the board change? What is the impact of this on governance?

**Källor/ Sources/ Lähteet:**

Practices at the Nordic Youth Organisation

<https://foreningsresursen.fi/>

An NGO Training Guide for Peace Corps Volunteers Module 5: Effective NGO Governance:

[https://files.peacecorps.gov/multimedia/pdf/library/M0070\\_mod5.pdf](https://files.peacecorps.gov/multimedia/pdf/library/M0070_mod5.pdf)

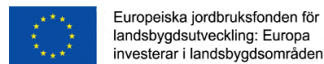
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