

HOW LONG SHOULD A BOARD MEMBER SERVE?

I occasionally come into contact with a nonprofit organization whose leadership feels burdened by long serving and perhaps not-so-helpful board members, and with the organization having no specific “exit strategy” to provide for a disciplined and thoughtful approach to board leadership turnover and development.

This can be a difficult issue when there also may be reluctance to “term-out” long-serving board member(s) whose time, talent and resources continue to be valued by the organization.

To assist nonprofit organizations who may have the will but not the way to revitalize their governing board, the State of California provides guidelines for term limits:

State of California – Corporations Code – Nonprofit Corporation Law

Section 5220 Election and selection of directors, Terms of office (*excerpts*)

- Directors shall be elected for such terms, not longer than six years, as are fixed in the articles or bylaws. In the absence of any provisions in the articles and bylaws, the term shall be one year.
- The articles and bylaws of a corporation without members (*the majority of 501 (c)(3) classified nonprofits*) may provide that directors may be elected for one or more terms of up to six years.

In my experience the most effective application of this provision by nonprofit organizations is to provide for two to three terms of office for Board members, each term for two to three years, following which a Board member is asked to “stand down” for one year after serving a maximum six years. Following the “stand down” year, the individual would be eligible for subsequent election to the Board under the same term limits.

With respect to avoiding “term-out” of a valued Board member, some nonprofit organizations provide for situational special exemption to their term limit policies, or alternatively have categories such as “Emeritus” or “Honorary” to provide continued leadership linkage to the organization.

Does your organization have a written provision for term limits for Board members?