



TERM LIMITS

Rotation is a healthy and natural way of providing change and necessary transformation for a board. Bringing in new board members on a regular basis keeps away stagnation and gives the board an opportunity to renew itself. Each board should establish its own system for defining term limits.

Where are term limits defined?

Term limits for board members should be defined in the bylaws of the organization.

What are the most common term set-ups?

According to a BoardSource survey, nearly three quarters of the respondents reported using three year terms. Those who use limits, on the average, have a maximum of two terms. A staggered term system allows a certain number of new members to be chosen each year, preventing no more than one half (preferably one third) of the terms from expiring at the same time. Without any term limits, some board members may serve 20-30 years on one board. An upper-age limit also exists but is controversial. (For instance, mandatory retirement at age 70.)

What are the advantages of having term limits?

- Possibility to work with active community members who can devote only a few years to service
- Easier inclusion of diversity into the board structure and keeping in touch with constituents
- Built-in balance of continuity and turnover
- Rotation of committee assignments
- Fresh ideas and new perspectives
- Regular awareness and positive attention to changing group dynamics
- Opportunity for the board and the retiring board member to reassess mutual willingness to continue working together
- Easy exit for passive and ineffective board members
- Mechanism for dismissing troublesome board members
- Possibility to enlarge the circle of committed supporters by keeping retired board members involved

What are the disadvantages of having term limits?

- Loss of expertise
- Loss of organizational memory
- More time dedicated to recruitment and orientation
- Additional efforts needed to keep the group cohesive

What are the disadvantages of not having term limits?

- Stagnation if no change occurs among the board members
- Perpetual concentration of power within a small group
- Intimidation of occasional new members
- Tiredness, boredom, and loss of commitment
- Change in demographics of the constituency or environmental factors not reflected in the board

What else to think about when a board member leaves

- Make sure your governance committee is prepared in advance with a fresh list of new candidates.
- Make a habit of conducting exit interviews. These are excellent occasions for the governance committee to get feedback from retiring board members.
- Create guidelines for emeritus status for truly outstanding board members.
- Be inventive in finding other ways to keep productive members attached to the organization (committee assignments, ad hoc task forces, advisory committees, fundraising activities, volunteer activities).
- Require a sabbatical year after the last term to allow the leaving board member to look back and reassess his interest in the organization before asking for reappointment.
- Keep in touch with old board members; they are excellent ambassadors for the organization.

Resources

Better Bylaws

The Nonprofit Board Answer Book

Both are available at www.boardsource.org or by calling 202-349-2500.

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