

Vet or Forget? The Case for Background Checks for Nonprofit Board Members

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A client who serves on the board of a nonprofit recently asked whether the organization's policy on background checks should also apply to board members, or at least to those with the greatest influence over funding.

Determining whether to pursue background checks on board members should take into consideration several factors:

- the organization's culture
- the organization's risk tolerance
- the role of the board member

It might seem odd to entertain this idea, since many nonprofit board members are established members of their communities with a professional history. However, it can be dangerous from a financial and reputational standpoint to make assumptions about anyone's history. We've seen a number of organizations embarrassed by information that was discovered about a board member after the individual was appointed.

At a minimum, a general public records search should be conducted on all board members. Extending full background checks to board officers and/or all board members is worth discussion.

Weigh the Risks

Ensuring organizational integrity and reputation are key reasons to consider a policy of background checks for board members.

Those with the greatest levels of responsibility (especially over financial matters) should be subject to the same — if not higher — levels of scrutiny as employees. Even if they are a volunteer, a leader's unscrupulous past actions can significantly diminish the hard-earned reputation of an organization overnight. Even seemingly minor discrepancies about an individual's history, such as an

inaccurate educational degree, can raise major concerns about their professional character. Leaders set the tone of the organization, and dishonesty or unethical practices by leaders can have a dramatic ripple effect on everyone from employees to donors.

Of course, background checks may feel cumbersome and awkward for some organizations. It requires time, money and resources that are likely in short supply. Establishing a clear policy on who must receive background checks — and the process involved — can help ease uncomfortable conversations with new board members and justify its cost as part of standard recruiting practice.

Consider the Level of Detail

Detailing the scope of the background check for board members is critical. Some organizations limit it to checking public records for a criminal history.

More comprehensive background checks can encompass a wide range of activities, such as:

- Credit check
- Reference check
- Verification of prior employment and education
- Driving records
- National sex offender registry, especially for organizations who represent vulnerable people
- Military service records

Smaller nonprofit organizations may have greater constraints when it comes to doing more thorough investigations, but it's arguably more important at this level, since board members likely have greater access to information and the pool of board candidates may be smaller. While broadening the scope will increase the expense, it's important to consider how that investment can potentially outweigh a negative consequence that

could be more costly if anything was uncovered in its absence.

A thorough background check can't guarantee that a problem won't emerge, but it can serve as a solid deterrent to help mitigate the risk — one worth serious consideration.

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