

BOARD TERM LIMITS

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Boards serve an essential governance role within foundations. Each board varies in terms of their policies and procedures depending on the structure required to achieve the organization's mission and strategic goals, including the structure of term limits. A term limit indicates the number of years a trustee may serve in their position and how many consecutive terms are permitted.

The options for term limits vary widely, ranging from strict term limits of 2-3 years to lifetime appointments. This resource explores the pros and cons of board term limits and provides insights on how to choose an optimal term limit length.

PROS OF BOARD TERM LIMITS

- By implementing board term limits, foundation boards are required by their institutional bylaws to regularly incorporate new trustees.
- Term limits create an opportunity for organization leaders to reflect on the diversity of their boards in terms of the race, gender and lived experiences of the individuals, as well as other aspects of personal identity, and the diversity of the organizations they represent. Overall, these considerations can help to ensure the board reflects the community it serves.
- Term limits create a built-in structure to regularly bring on new trustees who can offer fresh perspectives to planning and decision making, and support fundraising initiatives with new networks (connections), as well as fill key skill gaps on the board (finance, legal, etc.).
- The rotation of board members helps prevent an organization from over-extending their engagement of volunteers, recognizing board service requires considerable time and energy. At the same time, this helps to prevent trustees from experiencing fatigue that may lead to lost energy and passion for the organization, or stagnation in the thinking they bring to the table.
- Theoretically, board term limits encourage boards to focus on the best interests of the institution, rather than individuals potentially pursuing their own self-interest. Specifically, individuals may be less likely to dominate the board (and its decisions) for an organization's

foreseeable future when they are limited to only a certain term length and/or number of terms. Similarly, thoughtful term limits help to create a more inclusive environment by helping to avoid long-serving members from accumulating too much power or developing a clique-mentality.

- Term limits offer the CEO /executive director and fellow board members a simple means of removing trustees who may not be productive members of the board. The election cycle allows new members to be brought on while unproductive members may simply not be re-elected for an additional term, though boards are encouraged to implement language in their bylaws or relevant policies to allow for an early end to an individual's board term for these and other reasons.
- With or without term limits, board members should have a means of ending their board service due to medical conditions, changes in their ability to serve or other changes in personal or professional life circumstances that no longer make it possible or practical to serve as an effective board member. Board term limits provide a natural cadence for board members (possibly, with the assistance of staff) to evaluate their effectiveness and consider whether continued board service is appropriate.

Implementing a term limit policy requires that the organization not only actively pursues and recruits potential board members, but also provides quality board orientation. Some organizations also commit to ongoing board development to support the board's individual and shared learning, as well as retreats and other opportunities for continued relationship building. Without these opportunities in place, an organizational board will likely weaken, regardless of the presence of a proper term limit policy in its bylaws.

CONS OF BOARD TERM LIMITS

- Board term limits may lead to the loss of essential institutional memory. For this reason, some organizations establish "trustee emeritus" positions to ensure that certain individuals maintain a formal connection with the institution. Likewise, organizations sometimes place retired board members on advisory boards, committees or other supporting roles.
- Term limits require that high-impact individuals leave the board, regardless of their effectiveness and success in the role, including major donors, founders and other individuals who have been active and engaged representatives of the organization.
- If term limits are not designed properly, short terms and high rates of board changeover can lead to considerable strategic challenges for an organization and may require leadership to spend an extraordinary amount of time in continuous cycles of recruitment and training. Ideally, even with relatively short term limits the board should have a means of focusing on the long-term benefits and strategy of the organization.

OPTIMAL TERM LIMIT LENGTH

According to some practitioners in the field, three-year terms are preferred, with a limit of two or three terms served. Three years allows for the board member to become acclimated to their role, especially

during their first term. One- or two-year terms are considered too short for most board members to orient themselves to their respective roles and meaningfully help to advance any long-term goals of the organization.

Nearly all organizations stagger board terms so that only a portion of the board is retired or re-elected each year. Following similar logic, organizations often provide a mechanism for trustees to serve multiple terms, with the optimal number of total years served ranging between six and nine years. Some organizations also provide a mechanism for retired board members to be re-elected onto the board for a new set of terms following a hiatus of a year, term length, etc.

RECOMMENDED RESOURCES

BoardSource. “Leading with Intent: BoardSource Index of Nonprofit Board Practices.”

<https://leadingwithintent.org/>.

BoardSource. “Term Limits.” <https://boardsource.org/resources/term-limits/>.

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