

Why You Might Not Want to Join Your Friend's Non-Profit Board

When your friends and family learn that you have some background in corporate governance, you might get that request to help them out by joining their non-profit board. Since it is your area of expertise, your understandable kneejerk reaction may be just what mine so often is, "of course, I'm happy to help." But should you temper your enthusiasm? Should you tap into that gnawing feeling of discomfort? My experience is unfortunately "yes." I have served on the boards of many non-profits over the past few decades. Let me illustrate my point with an example. A number of years ago, I served on a non-profit board at the request of a co-founder who was a good friend. I eventually became uncomfortable that the mission was not what I had initially understood and that the degree of "related party transactions" was high and was likely to continue. I find this to be a pretty common occurrence for small and growing nonprofits where the founders are putting their heart and soul into it. There was nothing illegal or unethical going on. It was probably more about my misunderstanding of the mission that only became clear once I was on the inside. And this didn't happen immediately - it took me a couple of years to understand and reach my conclusion. So I waited for the proper time and then:

1. Raised my concerns politely but clearly to the other board members. (Again, noting that there was nothing illegal, unethical, or even unusual for many start-up nonprofits.)
2. Made sure that the remaining directors were capable of continuing the board's work.
3. Ensured a good transition of the two key committees that I served on to successor directors.

I was fortunate in that this episode did not sour my relationship with my friend who was the founder. But mixing business and pleasure can be a tricky road to navigate and serving on a friend's non-profit board can easily lead to circumstances where the friendship is irreparably harmed. I think of these same steps now when I counsel friends and directors who serve on boards, whether they be public or private companies. Or non-profit boards. And I learned for myself that key lesson from childhood craft-making that works so well before you join a board: Measure twice, cut once. Be really, *really* sure this is the right fit for you before you join - because you are going to be in this for a while, even if you gradually and belatedly realize that it's not the right fit.

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