

A Risk and Resilience Checklist for Purpose-Driven Boards

This checklist is a tool for nonprofit boards seeking to govern with clarity, confidence, and purpose in an uncertain environment.

Why This Checklist

Effective governance means more than compliance. It requires awareness, foresight, and the courage to lead with purpose in times of uncertainty. This checklist is designed to help nonprofit boards and executives assess whether their organization is prepared to respond to today's shifting legal, political, financial, and reputational risks.

The questions in this resource reflect core governance responsibilities but also emphasize the mindset and practices of **Purpose-Driven Board Leadership**. That means putting purpose before organizational preservation, understanding the organization's role in a broader ecosystem, advancing equity even under pressure, and ensuring that decision-making includes the voices and perspectives of those most impacted by the work. For a deeper exploration of Purpose-Driven Board Leadership, see [Centering Purpose in Times of Change: A Guide for Purpose-Driven Boards](#).

This is not a checklist for avoiding controversy or ducking difficult decisions. It is a tool for staying grounded in what matters most so boards can lead with clarity when the

stakes are high.

1. Organizational Purpose and Mission Integrity

In moments of uncertainty, it is critical boards are clear about why the organization exists and what must be protected. Mission clarity is more than a philosophical anchor; it's a practical guide to decision-making when hard choices arise. Boards need to know which programs, partnerships, and principles are essential, and which might be adapted or paused in response to external pressures. To clarify purpose, ask yourselves:

- Has the board reaffirmed the organization's core mission in light of current external threats or pressures?** Reconnecting to mission helps boards avoid reactive decision-making and focus on long-term impact. Purpose-driven boards prioritize the mission even when it's uncomfortable or costly.
- Are we aligned on which aspects of our work are most essential and least open to compromise?** Mission alignment creates unity in moments of tension. It also ensures the board can speak with one voice when stakes are high.
- Have we discussed how to remain true to our values under duress?** When the board is under pressure, values should guide not just what decisions are made, but how they are made—who is consulted, what tradeoffs are considered, and what risks are accepted. Staying grounded in values helps boards earn the trust of their communities and lead with integrity, even when facing backlash or uncertainty.

2. Board Leadership and Decision-Making

Purpose-driven board leadership is an opportunity for boards not simply to avoid overstepping, but to lead with discernment. When threats multiply, alignment with purpose, clarity about roles, process, and values helps boards act quickly, ethically, and in ways that support the chief executive. This includes awareness of how decisions affect the broader ecosystem and a commitment to advancing equity, even under pressure.

- Have we clarified the board's role in setting the organization's risk tolerance?** Boards don't need to eliminate all risk, but they do need to define what's acceptable, including how risk is understood not just in organizational terms, but in relation to mission,

community trust, and impact on the ecosystem. That clarity empowers staff and prevents internal confusion.

- Are we meeting frequently enough to stay informed and offer strategic oversight in a fast-moving environment?** Purposeful governance requires agility. Waiting for a quarterly or bi-monthly meeting may no longer be sufficient.
- Do we have a shared understanding of how to weigh staying true to our mission against risk avoidance when hard choices arise?** When compromise is on the table, boards must know what can bend and what can't. That discernment should include how decisions will affect the people and communities the organization exists to serve, and how they may be perceived within the broader ecosystem.
- Are we investing in board learning—legal, strategic, or sector-specific—so we're equipped to lead?** Strong boards are learning communities. Staying equipped allows boards to meet complexity with confidence and to lead with humility, equity, and awareness of the communities they serve.

3. Legal and Regulatory Awareness

The legal environment for nonprofits is shifting, and organizations that engage in public advocacy on social or cultural issues or whose programming is seen as politically charged may face heightened scrutiny. Boards must lead with awareness, seeking clarity around what is legally required and where political risk may be rising. Ask yourselves:

- Are we in good standing with all Federal, state, and municipal rules and laws where we operate, raise funds, or deliver services?** Some states and even cities require registration for charitable solicitation or program delivery, and duties under the law may vary slightly between states. Gaps in compliance that once might have been viewed as understandable oversights can be used as pretexts for public or political targeting or defunding.
- Are our organizational and governance policies and practices aligned with our charter, our 990, and IRS rules and regulations?** Sometimes necessary updates to an organization's governing documents lag behind the organic evolution of its practices and operations. The current moment is a good reminder for boards to examine their

governing documents and make necessary updates to ensure complete alignment across each document.

- Are we confident that our fundraising, hiring, program eligibility, and vendor policies meet current legal standards?** Certain identity-conscious eligibility or contracting practices may now be subject to legal challenge. Boards need to weigh risks while remaining faithful to the values that guide the work.
- Do we understand the difference between compliance obligations and risk exposures that may not yet be settled law?** Not every risk involves a law being broken. Boards must assess gray areas and determine when to hold firm and when to adapt in alignment with purpose.
- Do we have access to timely, credible legal guidance when questions arise?** In today's environment, legal threats, reputational harm, or funding consequences can emerge and escalate quickly. Scrambling to identify counsel after an issue comes up can cost precious time. Prepared boards build relationships in advance with advisors who have relevant legal expertise and are prepared to navigate politically sensitive terrain.

4. Financial Resilience

Purpose-driven boards recognize that strong financial stewardship is not an end, but a means of advancing purpose and honoring its ecosystem, not simply preserving the organization. In times of instability, financial resilience supports continuity and protects the board's ability to lead with clarity.

- Do we understand the organization's current liquidity and reserves position?** Understanding reserves and access to cash allows the board to plan rather than panic when disruptions occur. Having a policy that defines when and under what circumstances the board may tap into reserves will provide clarity in decision-making and confidence in organizational sustainability.
- Have we reviewed financial scenarios in case of unexpected funding loss or reputational crisis?** Scenario planning supports stewardship and strategy. Such planning asks what happens if revenue drops or is pulled, with particular attention to income streams that represent a substantial portion of total revenue or come from government sources.

Is our directors and officers (D&O) insurance active, adequate, and understood by the board? Coverage details matter, especially when decisions about values, equity, or advocacy could provoke backlash or litigation.

Are we actively monitoring funding trends and donor concerns? Signals of shifting support—whether from institutional funders, individual donors, or broader public sentiment—can emerge through news coverage, social media, or conversations within the ecosystem. Boards should draw on both staff insight and their own networks to stay alert without reacting prematurely to fear, rumors, or noise.

Are we weighing financial risks in light of its impact on our mission and the communities we serve, not just our institutional comfort or donor preferences? Boards should avoid allowing donor concerns or financial pressures to outweigh the values and relationships that define their purpose.

5. Crisis Preparedness and Communications

In a polarized environment, reputational risk can escalate quickly, and the difference between leading and reacting may come down to preparedness. Purpose-driven boards act with integrity under pressure, grounding their communications in purpose, organizational values, and accountability to the people and communities their organization exists to serve.

Does the organization have a crisis communications plan, and does the board know its role in the plan? Clear roles avoid mixed messages. Prepared boards know the organization's designated spokesperson, when to speak, what to say to the media, when to support staff, and when to stay silent.

Do we have a protocol for responding to public controversy, media inquiries, or hostile attention? Crisis protocols rooted in purpose, values, and awareness of how responses will be received by those who will be most impacted help protect trust, even when the news cycle turns against you. Prepared boards are clear on when and how to respond to a crisis at the organizational level, and under what circumstances they will issue a statement relevant to their mission area or ecosystem but outside of their direct control.

Are we regularly scanning credible sources—including voices from the communities we serve—for developments that may affect our risk landscape? Purpose-driven boards

stay informed, not reactive, through regular environmental scanning.

- **Have we discussed the reputational risks of both action and inaction, including how each may be perceived by the people and communities we serve?** Sometimes saying nothing is riskier than speaking up. The goal is to make intentional choices, grounded in mission and purpose.

This checklist is not meant to be a test. It is a tool for thoughtful, mission-centered governance. The questions are grounded in Purpose-Driven Board Leadership: putting purpose before organizational preservation, honoring the organization's role in a broader ecosystem, ensuring that board decisions are grounded in a real understanding of community assets, needs, and aspirations, sharing power with the community served and advancing equity through the board's actions and decisions. Here are ways boards can move from review to action:

- **Take stock together.** Set aside time in a board meeting or retreat to walk through the checklist. Consider reviewing one section per meeting, using it to spark generative and strategic conversations.
- **Name areas of uncertainty or exposure.** Use the checklist to identify where your board is confident and where it may need legal advice, outside perspectives, or deeper discussion, including from community members, peer organizations, or funders.
- **Assign follow-up.** Delegate next steps to appropriate board committees, task forces, or staff liaisons, and track progress over time. Consider incorporating select items into the board's annual work plan or dashboards.
- **Invest in learning.** Where the checklist surfaces knowledge gaps, bring in expertise—legal, financial, strategic, or additional, alternative, or different lived experience—to help the board lead with clarity. This might include inviting legal experts, community leaders, funders, or advocacy partners into board conversations. Use Purpose-Driven Board Leadership as a framework for that learning. Take board governance to the next level by taking the [Certificate of Nonprofit Board Education](#), a four-module on-demand training that covers the fundamentals of nonprofit board governance concepts and Purpose-Driven Board Leadership.
- **Share with others.** This resource is intended to help boards across the sector. If you find it helpful, consider sharing it with peer organizations or networks you are part of.

Above all, remember that risk mitigation is not a retreat from purpose—it's a way of honoring and preserving it. The goal isn't to avoid controversy or minimize disruption at all costs. The goal is to protect what matters most and lead with clarity, even when the stakes are high.

Further Action and Companion Resources

- **Centering Purpose in Times of Change: A Guide for Purpose-Driven Boards**

This concise guide outlines the four principles of Purpose-Driven Board Leadership and is a useful companion to this checklist. It offers context, examples, and reflective questions to help boards align their practices with purpose in uncertain times. This checklist builds on those principles by translating them into a practical tool for risk awareness, readiness, and action.

- National and regional infrastructure organizations

Your board doesn't need to do this work alone. Groups like the National Council of Nonprofits, state and regional nonprofit associations, and regional associations of grantmakers offer critical insights, timely updates, and peer connections that help boards stay informed and supported. If your organization isn't already engaged, consider joining and participating actively.

- Finding legal counsel

When politically sensitive or high-stakes questions arise, not just any lawyer will do. Boards should proactively identify legal counsel who understands nonprofit law and are attuned to the current legal and political climate for values-driven organizations. State and regional nonprofit associations, community foundations, and other capacity-builders are often reliable sources for referrals. Larger cities and some state bar associations may also offer pro bono or referral services for nonprofits. While pro bono assistance can be helpful, it may be worth investing in paid counsel to ensure the organization has the expertise and continuity it needs.

- Joining BoardSource as a Member

BoardSource's membership programs are designed to make it easy and affordable for you to access the board governance tools you need, when you need them.

- **Mission, Vision, Values, Purpose**

- **Crisis Communications: Four Things Your Board Needs to Know**

- **Financial Responsibilities of Nonprofit Boards Publication**

- **Nonprofit Bylaws**

- **Strategic Board Meetings**

- [Conflicts of Interest](#)
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