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# Term Limits

## Where are term limits defined?

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

## What are the most common term set-ups?

According to a *BoardSource* survey, nearly 3/4 of the respondents reported using 3-year terms; on average, a maximum of 2 terms was set up *for those who use limits*. An upper-age limit is also common but controversial (for instance, mandatory retirement is at age 70). 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.

## What are advantages of having term limits?

- Possibility of working with busy community members who can devote only a few years to service.
- Easier to implement diversity into the board structure and keep in touch with constituents.
- Built-in balance of continuity and turnover.
- Rotation of committee assignments.
- Fresh ideas and new perspectives.
- Opportunity to reassess mutual willingness to continue working together.
- Easy exit for non-active and ineffective board members.
- Mechanism for dismissing troublesome board members.

## What are disadvantages of having term limits?

- Loss of expertise.
- Loss of organizational memory.
- More time dedicated to recruitment and orientation.

## What are disadvantages of not having term limits?

- Stagnation if no change occurs among the board members.
- Perpetual concentration of power within a small group.

## What else to think about when a board member leaves?

- Make sure your governance committee is prepared with a fresh list of new candidates.
- Make a habit of conducting exit interviews. These are excellent occasions for getting feedback from retiring board members.
- Have guidelines on hand for creating an emeritus status for truly outstanding members.
- Be inventive in finding other ways to keep productive members attached to the organization (committee assignments, ad hoc task forces, advisory councils, fundraising activities, volunteer activities).
- Require a sabbatical year after the last term to allow the leaving board member to take back and reassess his interest in the organization before asking for reappointment.
- Stay in touch with old board members, who make excellent ambassadors for the nonprofit.

*Adapted from Critical Components of Effective Governance, BoardSource 2000*