



The Board Development Scorecard

How does one assess the effectiveness of an independent community bank's Board of Directors? Truelson Associates has developed a scorecard designed to address these questions. We have identified what we believe are the 20 most important characteristics of a highly effective board.

This scorecard is designed as a self-assessment tool for community banks. We encourage banks to utilize this

tool to determine their Board's relative strengths and weaknesses. One means of implementing this self-assessment is to poll all Directors anonymously.

Truelson Associates is prepared to act as a third party to tabulate Director input, and present back to the bank the results of that input, with recommendations for further enhancement of the Board.

Board Development Scorecard			
All elements are valued at 5 points each. Please rate your banks' effectiveness on a 1-5 scale, with 5 representing excellence.			
Elements	Score	Elements	Score
1 Board member term limits and a mandatory retirement policy are in place and operating effectively.		11 The Board is effective in representing shareholder interests on an ongoing basis.	
2 A clear job description exists for Board Chairman, individual Board members and the President/CEO, and committee chairs, featuring key responsibilities and expectations.		12 A well-defined Director education plan and process is in place and operating effectively.	
3 An ongoing process exists to keep Board members current on their responsibilities and liabilities.		13 All Board members embrace and participate in the Director education process.	
4 Board members possess the necessary business/financial expertise to provide effective guidance to the Bank.		14 Board member involvement and participation in Board meetings and Board committees is consistently good.	
5 The Board has identified needed Board expertise, and an effective recruiting plan exists to fill those needs.		15 A highly effective and synergistic relationship exists between the Board and the President/CEO.	
6 The Board focuses most of its attention on long term, significant policy issues, rather than short term administrative matters.		16 A succession plan is in place for the Board Chair, appropriate Board members and the President/CEO.	
7 The Bank has a well thought out, multi-year strategic plan in place that is updated annually, and the Board has played a pivotal role in its development.		17 Board members are active and visible community members, representing the Bank in a positive, professional manner.	
8 The "line" between Board responsibility/authority and the President/CEO's responsibility/authority is clear-cut and appropriate.		18 An effective evaluation process for the President/CEO is in place and operating effectively.	
9 The Board has an appropriate committee structure in place, featuring clear-cut responsibilities that effectively leverages overall Board performance.		19 Board meetings and Board committee meetings are conducted in a professional manner, featuring quality discussions and consensus decision-making.	
10 The Board plays a lead role in developing the Banks' mission, vision, and values, on an ongoing basis.		20 A peer review process is in place, focused on overall Board, Board committees, and individual Directors' performance, including recommended enhancements.	
Your Total Score (out of a possible 100) _____			