

EXECUTIVE DIRECTOR and BOARD ROLES & RESPONSIBILITIES

What is the Board of Directors?

A select group of people that, as a collective, is legally charged to govern an institution.

What are the main responsibilities of the Board?

- 1) **Determine mission & purpose.** It is the board's responsibility to create and review a statement of mission & purpose that articulates the organization's goals, means, & primary constituents served.
- 2) **Select the chief executive.** Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.
- 3) **Support and evaluate the chief executive.** The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.
- 4) **Ensure effective planning.** Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.
- 5) **Monitor, and strengthen programs and services.** The board's responsibility is to determine which programs are consistent with the organization's mission and monitor their effectiveness.
- 6) **Ensure adequate financial resources.** One of the board's foremost responsibilities is to secure adequate resources for the organization to fulfill its mission.
- 7) **Protect assets and provide proper financial oversight.** The board must assist in developing the annual budget and ensuring that proper financial controls are in place.
- 8) **Build a competent board:** boards have a responsibility to articulate prerequisites for candidates, orient new members, & periodically & comprehensively evaluate their own performance.
- 9) **Ensure legal and ethical integrity.** The board is ultimately responsible for adherence to legal standards and ethical norms.
- 10) **Enhance the organization's public standing.** Board should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community.

What is the Executive Director?

The Executive Director is (usually) the singular organizational position that reports to the Board of Directors and is primarily responsible for carrying out the strategic plans and policies established by the Board.

What are the main responsibilities of the Executive Director?

- 1) **Mission, Program, Product and Service Delivery** – implements mission by overseeing design, marketing, promotion, delivery and quality of programs, products and services.
- 2) **Board Administration and Support** - supports operations and administration of the Board as well as its evaluation of the Executive director; interfaces between Board and staff.
- 3) **Legal, Financial, Tax, Risk and Facilities Management** – implements policies and strategic plans, recommends yearly budget for Board approval and prudently manages organization's resources within those budget guidelines according to current laws and regulations.
- 4) **Human Resource Management** - effectively manages the human resources of the organization according to authorized personnel policies and procedures that fully conform to current laws and regulations.
- 5) **Community and Public Relations** - assures the organization and its mission, programs, products and services are consistently presented in a strong and positive light to relevant stakeholders.
- 6) **Fundraising** - oversees fundraising planning and implementation, including identifying resource requirements, researching funding sources, establishing strategies to approach funders, submitting proposals and administrating fundraising records and documentation.

Great Expectations: What Board Members and Chief Executives Need from Each Other

Every day, in the 1.6 million nonprofit organizations in this country, boards and chief executives deal with the challenges of governance. One particular challenge – the relationship between the board and the executive – must be resolved before the real governing can be accomplished. When boards and the executives see eye to eye, they can work together as partners in leading the organization toward the fulfillment of its mission. But when the relationship is encumbered by fuzzy roles and poorly articulated expectations, the vital tasks of governance take a back seat.

An understanding of roles and competencies is the place to start. There's nothing like "walking a mile in another person's shoes" to give one an appreciation of that person's challenges.

Roles

Once the board determines the organization's mission, it delegates implementation to the chief executive. The executive's job is to design, plan, mount, direct, and sustain all programs — marshalling human and financial resources to accomplish the task. The board oversees management, evaluates programs and operations, and supports the executive and staff. Board members are ambassadors for the organization and its programs, spreading the message to the community and building support.

Sounds simple? It isn't. Where does direction end and oversight begin? When boards take too detailed a hand in directing staff or ordering the application of resources, they are micromanaging. When executives withhold information (financial or otherwise) about how the organization is doing, they make it difficult for boards to evaluate them and the organization as a whole. The result is dysfunction.

And what about respective roles in supporting board effectiveness? The board must pay attention to its own performance, and the chief executive must help the board achieve full value. An organization's success often hinges on that of its board. Although the board's success will depend partly on the chair, the chief executive must be a positive force (especially since the executive is likely to work with a succession of board chairs). A governance committee can help the board focus on issues of support and effectiveness by continually assessing board performance and recommending improvements.

Expectations

What do boards and chief executives expect of each other? Boards assume that chief executives will have substantial knowledge and competence in the substance of the organization's mission. They also expect some basic personal qualities: initiative (a self-starter); vision (an eye on the future while making day-to-day decisions); proficiency (the ability to handle human and financial resources effectively); productivity (the capacity to get work done); and articulateness (a facility in oral and written communication). They also expect chief executives to be open, forthright, and responsive to the board's direction and needs.

Now, turn the tables. The chief executive expects every board member to participate, attend meetings, and be actively involved — not simply a name on the letterhead. Board members should bring knowledge and skills in the organization's substantive mission or its supporting activities, such as finance, public relations, or technology. They should ask questions but be supportive,

keeping in mind that theirs is an oversight role that should not encroach on the chief executive's management responsibilities.

Board members must have the personal attributes of team players: open, helpful, and seeking solutions to problems, not exacerbating them. They should be willing to make financial contributions annually and to participate in fundraising. And it certainly helps if they have enthusiasm and a sense of humor.

Boards and chief executives can test their sensitivity to mutual expectations using the scorecards below. Give each expectation a score of one to five, with five the highest. A total score of 40 indicates perfection; 25 and above means the board (or chief executive) meets expectations; and below 25 is cause for concern, and certainly for a serious discussion about how to strengthen the board–chief executive relationship.

I like to refer to the board and the chief executive as the leadership team, and with good reason. Together, they hold the keys to the success of a nonprofit organization. The concept of transparency is appropriate here: When roles and expectations are clear to all concerned, the organization will be the ultimate beneficiary.

What the Board Expects of the Chief Executive

Professional competence	5 4 3 2 1
Initiative	5 4 3 2 1
Vision	5 4 3 2 1
Proficiency	5 4 3 2 1
Productivity	5 4 3 2 1
Communication skills	5 4 3 2 1
Openness	5 4 3 2 1
Responsiveness	5 4 3 2 1

What the Chief Executive Expects of the Board

Participation	5 4 3 2 1
Competence	5 4 3 2 1
Support	5 4 3 2 1
Team attitude	5 4 3 2 1
Openness	5 4 3 2 1
Contributions	5 4 3 2 1
Enthusiasm	5 4 3 2 1
Sense of humor	5 4 3 2 1

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References

- Robert L. Gale, *Leadership Roles in Nonprofit Governance* (BoardSource 2003).
Fisher Howe, *The Nonprofit Leadership Team: Building the Board–Executive Director Partnership* (Jossey-Bass 2003).

Legal Duties of a Nonprofit Board

According to a nonprofit corporation law, a board member should meet certain standards of conduct and attention to his or her responsibilities to the organization. These are referred to as the Duty of Obedience, the Duty of Care, and the Duty of Loyalty.

Duty of Obedience

Obedience to the organization's central purposes must guide all decisions. The board must also ensure that the organization functions within the law, both the "law of the land" and its own by-laws and other policies.

Duty of Care

Board members must exercise due care in all dealings with the organization and its interest. This includes careful oversight of financial matters and reading of minutes, attention to issues that are of concern to the organization and raising questions whenever there is something that seems unclear or questionable.

Duty of Loyalty

Conflicts of interest, including the appearance of conflict of interest, must be avoided. This includes personal conflicts of interest or conflicts with other organizations with which a board member is connected.

New (and not so new) thinking of Legal Duties

Duty of Transparency

In addition to the above three traditional duties, boards have an obligation to ensure that their organization is appropriately transparent in its operations. For most nonprofits, this entails the filing of IRS form 990 or 990-PF and other appropriate informational and tax returns which are required to be made public.

Quiz: Board/Staff Role

Use this quiz to help determine your organization's level of common understanding about the roles and responsibilities of your board and staff. There are no absolute right or wrong answers to these questions. What is important is to see if all participants share the *same* answers.

Instructions: Have each member of the Board, plus the E.D. and other senior staff, independently complete this quiz. Indicate if each function is performed by the **Board, Staff, Board Chair, Executive Director**, or if it's a **Joint** effort (choose one). Then compare your answers. A few discrepancies among your answers indicate areas where your roles may not be fully understood. A moderate number of discrepancies indicate that your roles are not well understood, and need clarification. And a high level of discrepancies indicates a significant disagreement about your roles. Regardless, you need to invest some time and energy to discuss the areas of disagreement and work through your differences to become a better team. This discussion will be most productive if facilitated by third party - an objective, unbiased, not emotionally invested individual with sufficient nonprofit governance experience. Of course, you can always choose not to do the quiz or to ignore its results but, I trust that you know better and wouldn't even for a second consider it for an option as you'll end up paying ten times more for it later. Good luck!

<i>Common Nonprofit Organization Functions</i>	<i>Responsibility of</i>				
	<i>Staff</i>	<i>E.D.</i>	<i>Board Chair</i>	<i>Board</i>	<i>Joint</i>
Hire an Executive Director					
Assess Staff performance					
Develop new programs or services					
Set the agenda for Board meetings					
Call Board member to urge him/her into action					
Direct work of the staff					
Identify and select new Board members					
Complete the IRS Form 990 (T 3010 in Canada)					
Monitor income and expenses on a daily basis					
Revise the organization's Mission statement					
Develop an annual budget					
Make a decision to add Staff					
Select the auditor					
Assess the programs' effectiveness					
Set organizational policies					
Exercise fiduciary oversight of the organization					
Set the Mission for the organization					
Fire a Development Director					
Assess Board performance					
Engage in day-to-day management of the organization					
Sign conflict of interest disclosure					
Determine crisis management plan					
Prepare reports for Board meetings					
Sign legal document					
Solicit contributions					
Determine succession plan					

<i>Common Nonprofit Organization Functions</i>	<i>Responsibility of</i>				
	<i>Staff</i>	<i>E.D.</i>	<i>Board Chair</i>	<i>Board</i>	<i>Joint</i>
Approve programs and services					
Hire a Program Director					
Create a fundraising plan					
Ensure proper planning (strategic plan)					
Approve the annual budget					
Formulate annual objectives					
Review and approve the IRS Form 990 (T 3010 in Canada)					
Ensure compliance with the organization's policies					
Recruit and orient new Board members					
Implement programs					
Assess Executive Director's performance					
Approve annual objectives					
Organize fundraising campaigns, special events					
Implement strategic planning process					
Represent/advocate for the organization in the community					

Congratulation!

Based on the results of this quiz, what is the next step we are going to take?

Suggestions to Enhance Working Relationshipⁱ between Board Chair and Chief Executive

Inherent Struggles between Both Roles

Many experts assert that one of the most important ingredients to a successful corporation (nonprofit or for-profit) is a high-quality relationship between the board chair and the chief executive. However, this relationship has several inherent struggles to overcome. The chief executive was usually in the organization before the chair was appointed and will be around after the chair will be gone. In addition, the chief executive is also much closer to the day-to-day activities in the organization. Lastly, the chief executive usually knows far more about the organization's customers. Consequently, the chief executive may feel that he or she knows far much more about the organization than the board chair. Yet, the board chair is responsible to provide leadership to the board to whom the chief executive is accountable. The board chair leads the board which evaluates the performance of the chief executive. Maintaining a high-quality relationship between the two roles requires a high level of maturity and understanding from both people filling those roles.

Formal Practices and Procedures that Can Minimize Conflict

One of the most effective means to minimize conflict between both roles is to set up formal practices or procedures that help both people in the roles discern between an organizational issue and a personal issue. The following suggestions are provided to help ensure a high-quality relationship between the board chair and chief executive by establishing formal practices and procedures.

1. Have clearly written and approved procedures for evaluating the chief executive and in an approach that ensures strong input from the chief executive.
2. Have regular board training sessions that include overviews of the roles of board chair and chief executive.
3. When a new board chair or chief executive is brought into the organization, the two of them should meet to discuss how they can work together as a team.
4. Agendas for board meetings should be mutually developed by the board chair and chief executive.
5. The board chair can consult with the chief executive when appointing (or suggesting to the board) chairs for various committees.
6. Have clear written guidelines about the roles of staff when they provide ongoing support to board committees.
7. Rotate the board chair position every few years to ensure new and fresh perspectives in the role.
8. Develop board chairs by having vice chairs for a year who later become board chairs.
9. Have a board-wide discussion about the frequency and nature of meetings to be held between the chief executive and board chair. Avoid frequent, one-on-one meetings that only include these two people. While it might intuitively seem that meeting with only these two to cultivate a strong relationship, the risk is too high that the relationship

could become highly personalized and confusing to other board members. Always write down the highlights of meetings between the chief executive and board chair and share these highlights with the entire board.

10. Ensure all board members are trained about the role of the board, its current committees and their charters and membership, and that the board chair has basic skills in meeting management.
11. The chief executive and board chair should never conceal information from the rest of the board. Board members may prefer to keep certain information confidential among board members and not tell the chief executive, but these occasions should be very rare. The chief executive should never conceal information from the board -- all board members have a right to any information about the organization.
12. Celebrate accomplishments, including by naming the key people involved in bringing about the successes. Often these people include the board chair and chief executive.

Personal Practices to Minimize Interpersonal Conflicts

In addition to formal practices to minimize conflicts, the two people in these two roles can follow certain practices themselves. If you're a board chair or chief executive:

1. Practice at least the basic skills in interpersonal communications, e.g., particularly in listening and giving feedback.
2. Whenever you feel conflict, identify to yourself what it is that you're actually *seeing* or *hearing* that might be causing the conflict. This attempt helps to differentiate whether the source of the conflict is the other person's behavior or, e.g., some remnant of a relationship or situation in the past. (Note that whether the conflict is from the other person or not, it's still appropriate to work with the other person to address at least your perception of a conflict with them.)
3. If you're feeling uneasy, then say out loud what you're feeling. If you feel there's conflict or tension between you two, name it out loud. This doesn't mean your "weaker" or out of control -- quite the contrary. It displays a great deal of maturity and knowledge about interpersonal dynamics to recognize and surface conflict in order to mutually resolve it.
4. Recognize that conflict is inherent in any successful relationship, particularly in a board if all members are actively meeting their responsibilities. The important thing here, again, is to name it if you think it's becoming an ongoing problem.
5. Keep perspective that no one should have to continue to experience continued conflicts with someone in their lives, including the workplace. Know when to say enough is enough -- this limit is your own and you're the expert at recognizing it.
6. Continue to try sense if the conflict is around an organizational issue or is a matter of interpersonal "chemistry", that is, you both have such differing natures that you'll probably need some outside intervention to work together. (Note that if this is the case, it will be a tremendous learning curve -- but a precious one -- for you to learn to work with such natures that are so different than your own. That's one hallmark of diversity.)

If Worse Comes to Worse

Obviously, the course of action for a situation such as this depends to a great extent on the nature of the organization and the two people involved. If you're a board chair or chief executive who continues to feel conflict in working with the other person, then consider:

1. Approach the other person and ask for five minutes of their uninterrupted time. Explain your concern, what you *see* and *hear* that leads you to believe there's continued conflicts between both of you, what you would like to *see* or *hear* between both of you in the future, and why continued conflict can be so destructive to the organization.
2. If the other person says there's no conflict that they are aware of (whether there really is or not), then assert to them that you would appreciate it if they changed certain behaviors when working with you and specifically describe what behaviors you'd like to see from them. They either will change their behaviors, in which case things should improve, or they won't. In which case, you'll need to escalate the issue up the organization, if appropriate, or seek additional assistance about how you plan to handle the problem, for example, avoid it, confront it further, negotiate further, etc.
3. If the problem persists, ask to have time with the Executive Committee to share your concerns. If this isn't appropriate, consider approaching two to three board members one-on-one. (At this point, it's critical to remember that any "badmouthing" or "conspiring" against the other person will only end up hurting the entire board and organization. Therefore, talk with a friend or take careful time to reflect about what you want to say and how to say it to the other board members.) Explain the situation in terms of the behaviors in the issue, not the personality or character of the other person. Explain what you've done so far to address the issue. Describe your perception of the results of your efforts with the other person -- note that it's your perception. Ask for specific advice to address the issue. At the end of the meeting, reiterate out loud the suggestion you heard. Attempt to follow their advice. Commit to follow up with them about the results of your following their advice.
4. If the problem persists, you might consider getting outside help. Note that this may be more constructive than posing the problem to the entire board where it may cause great confusion and unease with little or not clear course of action to resolve the issue.

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