

## **Dividing Duties Between Board and Staff (by Board Source)**

A nonprofit organization is hierarchical in structure by fiat. Every nonprofit has a board of directors that is the ultimate responsible body for the organization. In the beginning of the nonprofit's existence it is common for the board members to wear different hats and function also in the staff capacity. As soon as it is feasible, most boards designate or hire their first chief executive who then manages the daily affairs. The chief executive reports to the board and other staff hired later on report to the chief executive. The structure defines accountability but everyone working together for the same objective is what makes these partnerships succeed.

### **Primary roles of board**

When defining the role of the board, it is important to remember that the role refers to the group, not to the individual board members. The board functions as a team. Individual board members inherently have no authority – no individual rights – over the organization but must assume accountability for their own actions. The governing body together has three main foci:

**Direction** – The board guards the mission of the organization and, through guidelines, steers it in the right direction.

**Oversight** – The board monitors the activities, the health, and the ethical behavior in the organization.

**Resources** – The board ensures that the organization is well-equipped to fulfill its mission – adequate finances, capable staff, and esteemed reputation.

### **Primary role of staff**

When the board hires the first chief executive, it delegates the daily management to that person. Maintaining a regular contact with the board and particularly the chair, the chief executive keeps the board informed about the issues and activities that are part of the life in the organization. In fact, the board would have great difficulties making well-rounded decisions without constant input from the chief staff person. The rest of the staff – in due time – will help the chief executive more efficiently implement the directives the board has set.

### **Working together**

It is not always easy or even possible to draw a clear line between governance and management. The board's duties are colored by its monitoring role. The chief executive, on the other hand, alone is responsible for making things happen with the help of the rest of the staff. However, both sides need each other's support – and availability, when requested – without veering off to micromanagement or 'über-control.' Constructive partnership is built on knowing when to act alone, when to help – or ask for help, and trusting the partner to do the same.

### **Specific responsibilities**

**Oversight**

Board: Health and success of the organization

Drafts and/or approves broad policies to guide and protect the organization, board, and staff

Monitors that all legal requirements get proper attention

Hires the chief executive and delegates to him or her the daily operations

Expects regular and objective reports from staff

Chief executive: Programs and administration

Oversees daily operations

Hires staff and delegates operational responsibilities to them

Shares good and bad news with the board

**Planning and evaluation**

Board: Strategic framework for the organization

Adopts an overall strategic mindset by focusing on the big issues that matter most

Actively participates in strategic sessions and retreats

Annually evaluates the performance of the chief executive and determines appropriate compensation

Evaluates its own performance regularly - at least every three to four years

Via staff reports assesses the organization's achievement of its goals

Chief executive: Strategic and operational plans

Ensures that strategic planning happens with the board's appropriate involvement

Leads operational planning and approves the plans for the staff

Ensures a process for staff performance exists, approves staff compensation, and evaluates his or her own performance

**Finances**

Board: Fiduciary duty over the organization

Makes sure adequate financial expertise is secured on the board

Sets overall fiscal policies and ensures appropriate internal controls

Approves the annual budget and monitors carefully the financial reports

Hires an auditor and reviews the audit in an executive session with the auditor

Chief executive: Financial management

With the help of the financial staff, prepares the annual budget and provides the board with regular financial statements

With staff, handles the daily financial operations and monitors cash flow

Defines financial policies and procedures for all daily money transactions

**Fundraising**

Board: Fundraising policies

Drafts gift-acceptance policies and personal giving guidelines for board members  
Actively participates in the overall fundraising efforts as directed by development staff  
During capital campaigns takes a lead in securing the campaign's success

Chief executive: Fundraising plan

Drafts (with development staff) a development plan, oversees its implementation, and involves the board in fundraising  
Acts as the main representative of the organization and (when there is no development director) communicator with major funders

**Board recruitment and development**

Board:

Through the governance committee ensures that the board's composition reflects the organization's needs:  
actively cultivates new recruits  
Drafts board specific policies and ensures the bylaws are applicable  
Incorporates governance training, including orientation, into regular board schedule

Chief executive:

Assigns staff to support the board in committees and in meeting, orientation, and retreat preparation  
Identifies potential new board members