



## BOARD *room*

# Building a Strong Board-Exec Relationship

*Your organization's future rests on this connection. Here are steps to success.*

BY FERN E. KOCH

**F**ollow these principles to build a stronger, more effective board of directors:

### Share Power.

The ideal board-staff structure can be described as power-sharing. Boards take care of governance, and paid staff take care of day-to-day operations.

The division of responsibility follows functional lines. The question should be asked of each task: Is it a board or staff function?

The board's job of governance should be reflected on its structure chart. This is the first step in creating a working relationship between the board and staff executive. Because the board is responsible for the organization's failure or success, board members mustn't relinquish their power and authority to anyone, not even their chief executive officer. They cannot legally transfer their responsibility.

The executive director is employed by the board of directors and has operational, or day-to-day, responsibilities while the board has policy-making responsibilities. Together they share the leadership of the nonprofit organization.

### Orient and Train.

The quality of the board and chief executive can't be left to chance. Orientation and training must be provided for both.



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## Secrets to a Strong Board

Promote a Power-sharing Relationship between the Executive Director and the Board

Board Members and Executive Directors Need Orientation and Training

The Board's Job Is Governance

Informed Boards Make Informed Decisions

Boards Do Their Work in Committees

Follow the Rule of "No Surprises"

Resist Micromanaging Your Executive Director

Through orientation, board members become familiar with the organization. With ongoing training, they learn about their duties, responsibilities, legal liabilities, and decision-making.

One of the best tools board members can have is a board manual. A three-ring binder is ideal because as the organization grows and changes, so can the manual. See "Contents of a Board Manual" on page 13.

In many organizations, new board members receive board manuals at a meeting where they meet the staff and other board members. At this meeting, they tour the facilities and hear about the organization's history, services, and fundraising activities.

It's a good idea for new board members to experience the organization's programs firsthand. In a local Meals on Wheels, for example, orientation requires a two-day commitment from board members. On the first day, besides listening to presentations and overviews, they deliver meals to homebound elders. On the second day, they take a tour of the commissary and eat lunch there—the same kind of meal that is being delivered to the elders that day.

## Govern.

Many executive directors report that board members interfere with operations while unknowingly neglecting their policy responsibilities. Board members often misunderstand the meaning and importance of policy.

Policy says what needs to be done, and administration carries it out. The chief executive can be instrumental in helping the board set policy as well as distinguish between policy and operational tasks.

Policy addresses the crucial problems that affect the organization's success or failure. It includes the following board duties:

- **Create** organizational goals and objectives, policies, job descriptions, and bylaws.
- **Decide** how funds will be expended.
- **Develop** the organization's investment policy.
- **Prepare, approve, and monitor** budgets.
- **Determine** how much money is needed, how it will be raised, and by when. Decide what the organization will and won't do to raise money. For example, will it run an event that involves questionable values, such as nudity, gambling, smoking, or sexual promiscuity? Will it accept a gift of stock in a liquor or tobacco company? Will it take any and all donations—even those with strings attached?
- **Revisit** the organization's mission, and update it if necessary.
- **Design** a strategic plan, and monitor it to ensure that goals are met.
- **Keep the board supplied** with new, skilled people.

## Oversee the Executive's Work.

Here are five keys the board should remember while supervising the chief executive:

**First**, be sure that measurable goals and objectives are in place, with expectations for the executive director's performance clearly defined.

**Second**, make certain that the executive director's job description is accurate and up-to-date.

**Third**, ensure that the relationship between the board chair and executive is healthy and productive. This relationship is critical to the health of the organization. Communication between the two should take place at least once a week but preferably more often.

**Fourth**, a board should receive regular written reports from the executive director, detailing **progress** made toward goals, **problems** facing the organization, and **plans** for the future.

**Fifth**, conduct regular performance reviews of the executive director. If an organization has a policy that requires performance reviews for staff, it becomes a legal requirement to review the chief executive's performance as well. But even if they're not legally required, such reviews are crucial. They help the chief executive identify strengths and weaknesses and make corrections.

## Make Informed Decisions.

Board members must insist on having full knowledge and open discussion on every issue brought before them. The executive director must provide the board with enough information to make responsible decisions.

Both board and exec should remember the "no surprises" doctrine. Executives should resist hiding or sugarcoating problems from their boards. Board members should ask questions to be sure they know what's going on. Likewise, board members should never withhold important information from the executive director.

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## Contents of a Board Manual

- Mission and vision statements
- Goals and objectives
- Organizational fact sheet
- Bylaws and articles of incorporation
- Structure chart
- Long-range plan
- Board plan of work for year
- Most recent budget
- Most recent audit
- Most recent annual report
- Most recent financial report
- Investment and endowment information
- List of major donors
- Organization's policies
- Copies of organization's brochures and newsletters
- Minutes of last six board meetings
- Descriptions of programs and services
- List of board and staff members with contact information
- Board member job description
- Solicitation letter
- List of committees with charges
- Executive director's job description
- Summary of director' and officers' liability insurance

committee meets, researches the issue, and brings back suggestions for board action. Committees don't have decision-making powers unless granted by the board. The only exception to this rule is the executive committee if such authority has been given in the bylaws. Most states allow for provisions in the bylaws allowing the executive committee to make decisions in certain periods on behalf of the board.

end, the organization's success or failure rests in its hands. The only way to improve the quality of the board is to improve the quality of the individuals serving on it. You need both an effective executive director and an effective board working together as a team of equals toward a common goal—to fulfill the organization's mission. Together, they provide a solid foundation for a successful organization. ■

## Create a Foundation for Success.

The future of your organization depends on the quality of the board. The board is responsible for making sure that it is strong and credible because, in the

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## Work in Committees.

A common problem occurs when board members do committee work at board meetings. Consequently, board meetings go on for hours.

In a governing board structure, committees are set up so that work can continue between board meetings. When an issue comes up, the board, after initial discussion, may give it to a committee for further study and recommendation. The