

Roles and Responsibilities of Nonprofit Boards and Executive Directors

Boards of Directors

In the state of Pennsylvania every board member is required by law to discharge his or her duties “in good faith, in a manner in which he or she reasonably believes to be in the best interest of the corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.”

In addition to the legal requirement stated above, there are three expected duties of board members.

- Duty of loyalty: requires board members to ensure that decisions are made in the best interest of the organization they serve.
- Duty of care: requires board members to act with common sense and informed judgment.
- Duty of obedience: requires board members to act in ways that are in line with and further the organization’s mission.

Nonprofit boards, and therefore individual board members, are ultimately responsible for six areas of governance.

- Strategic planning
- Financial accountability
- Fund development
- Public relations and accountability
- Hiring, assessment, and removal of the executive director
- Maintaining the board
- Ensure legal and ethical integrity

In order to accomplish these six areas of governance, there are four distinct roles for boards:

- Govern by making policy decisions in partnership with the organization's staff
- Actively fundraise
- Provide free advice within an individual's area of expertise
- Volunteer in service delivery

All four roles are always important, but the emphasis shifts depending upon the organization's stage of development. Boards of newer organizations typically focus on the last three roles, for example, while more established organizations tend to have the most need for the first two roles.

Executive Directors

The executive director, E.D., (also frequently referred to as the chief operating officer or CEO) of a nonprofit organization is hired by the board as a temporary caretaker of the organization's mission. The E.D. neither owns nor controls the organization, but is responsible for making it thrive. E.D.s report to the organization's board and hold the following responsibilities:

- Hiring, assessment and removal of staff and volunteers
- Building community partnerships
- Operational policy development
- Program development and assessment
- Develop fundraising plans in conjunction with the board
- Annual budget development and preparation of financial reports