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Whose Role Is It Anyways?

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... Goals

- Whether you are a seasoned nonprofit leader, a new member of a Board of Directors, or an Executive Director, navigating the complexities of organizational management can be complex.
- Today's session is designed to help clarify some of the most crucial responsibilities in nonprofit governance.
- Our central question today is: Whose role is it anyways?
- In any nonprofit organization, there are distinct roles that drive success and sustainability. However, these roles are not clear to everyone.

What are the fundamental questions that we will address?

- Who hires the executive director?
- Who sets the strategic direction for the organization?
- Who creates the Code of Conduct?
- Who is ultimately responsible for the success of a fundraiser?

... Goals

- By the end of this session, you should have a clearer understanding of the important functions the Board plays in nonprofit leadership and how it collaborates with the executive director to drive the organization forward.
- Both the board and the Executive Director have essential yet complementary roles, each is vital for the nonprofit's success and their working relationship can shape the future of the organization.

Key Roles and Responsibilities

... The Role of the Board of Directors

- The Board of Directors is the governing body responsible for ensuring that the organization operates in the best interest of its stakeholders.
- The Board has fiduciary, strategic and operational oversight responsibilities.

... The Role of the Board of Directors

Hiring and Evaluating the Executive Director

Hiring

- Conduct rigorous search
- Interview candidates
- Ultimately selecting the person who will lead the organization

Evaluating

- Evaluate performance
- Provide guidance and feedback
- Provide a written assessment at least annually

... The Role of the Board of Directors

Setting Strategic Goals

- Determine long-term goals, mission and vision for the organization
- The Board works in partnership with the Executive Director to ensure that these goals are implemented, evaluated and adjusted as necessary.
- The Board's role is to think about the big picture, while the Executive Director focuses on executing the plans on the ground.

... The Role of the Board of Directors

Creating and Enforcing the Code of Conduct

- The Code of Conduct, or ethics policy, is a critical tool that governs how the Board, staff and volunteers behave within the organization.
- The Code sets expectations for integrity, transparency and accountability.
- The Board is responsible for creating, reviewing and enforcing the Code to ensure all ethical operations and compliance with legal requirements.
- The Code must be regularly updated to reflect the changing dynamics of the organization and external environments.

... The Role of the Board of Directors

Fundraising Oversight

Although the Executive Director and staff are typically tasked with executing the organization's fundraising efforts, the Board plan an essential role in the oversight.

- Approving plans
- Ensure sufficient financial resources are available
- Cultivating major donors
- Making personal contributions
- Ensure efforts are ethically sound

... The Role of the Board of Directors

Legal and Financial Oversight

- Ensure funds used appropriately
- Financial records are kept in accordance with legal requirements
- Compliance with laws and regulations
- Approve budgets
- Review audits (if required by by-laws or some other regulatory requirement)
- Make decisions on financial matters

... The Role of the Executive Director

Implementation of Strategic Goals

The Executive Director acts as a bridge between the Board's high level strategic goals and the operational activities of the organization.

- Executes strategic plans of the Board
- Manages day-to-day operations
- Oversee staff and programs
- Ensures the organizational mission and objectives are met

... The Role of the Executive Director

Staff Management and Development

- Hiring, training and managing staff
 - Overseeing recruitment
 - Setting performance expectations
 - Providing professional development opportunities
- Ensuring that the staff are aligned with the organization's goals and mission

... The Role of the Executive Director

Fundraising and Resource Development

While the Board plays an important role in fundraising, the Executive Director is directly involved in the fundraising process including:

- Develop fundraising strategies
- Cultivate relationships with donors
- Effectively executing fundraising campaigns
- Ensure necessary resources are available to achieve the organization's mission

... The Role of the Executive Director

Financial Management

The Executive Director works closely with the Board to management the organization's finances including:

- Preparing and monitoring budgets
- Managing cash flows
- Ensuring financial sustainability
- Using resources effectively and efficiently

... The Role of the Executive Director

External Relations and Advocacy

- The Executive Director is the face of the organization and represents the nonprofit in the community and builds relationships with key stakeholders. This includes working with other organizations, governmental bodies, donors and media.
- Responsible for advocating on behalf of the organization
- Maintaining a positive public image for the organization

... The Role of the Executive Director

Monitoring and Evaluation

- The Executive Director is also responsible for monitoring the organization's programs and ensuring that they are effective in meeting the organization's mission.
- The Executive Director regularly assesses the performance of various programs and makes adjustments as necessary to ensure that the goals of the organization are being achieved.

Case Studies

... Case Studies - Who Hires the Executive Director?

A nonprofit has been serving at-risk youth in a city for over 20 years. The founder and long-time Executive Director is preparing to retire, and the Board is tasked with finding a successor.

This is a high-stakes decision, as the right Executive Director can propel the nonprofit to new heights, while the wrong choice can set the organization back years.

... Case Studies - Who Hires the Executive Director?

What does the Board of Directors need to do?

- The Board needs to forms a hiring committee which works to outline key qualifications and skills needed in the next Executive Director.
- Perform extensive search process and select an individual.
- Conduct regular performance reviews, offer guidance, and ensure the new Executive Director has the resources to succeed.

... Case Studies - Who Hires the Executive Director?

Why the Board is responsible:

The Board is responsible for hiring the Executive Director because of its fiduciary duty to the organization. The Board must ensure that the nonprofit is led by someone capable of managing its day-to-day operations and advancing its mission. If the Executive Director is not the right fit, it's the Board's responsibility to take action. This may include providing feedback or, in extreme cases, making a change. By holding this responsibility, the Board ensures that the nonprofit remains in good hands, regardless of leadership transitions.

... Case Studies - Who Creates the Code of Conduct?

Your nonprofit is growing quickly, and you suddenly find yourself facing a situation where a Board member has a conflict of interest with one of the organization's major contractors.

- The Code of Conduct should outline expectations for: ethical behavior, transparency, and the steps to take if a conflict arises
- Concerns can be addressed promptly to maintain trust and integrity
- Sets the tone for every aspect of operations: financial integrity, workplace behavior, and handling sensitive donor relationship
- Contributes to a culture of ethics and accountability that serves the organization and its stakeholders

... Case Studies - Who Creates the Code of Conduct?

Why the Board Creates the Code:

The Board's involvement in creating the Code of Conduct ensures that there is a shared understanding of ethical standards at every level of the organization. The Board must establish policies that promote transparency and prevent misconduct. Furthermore, the Board is tasked with enforcing the Code of Conduct, making sure that it is followed and taking corrective action when necessary. By doing so, the Board upholds the organization's credibility and ensures that all members are held to the same high standards.

... Case Studies - Who Sets the Strategic Goals of the Organization?

You're a nonprofit organization focused on providing educational opportunities for underserved communities

- The Board should conduct a strategic planning retreat every few years to set the direction of the organization

During the retreat, the Board sets long-term goals such as expanding, increasing community impact, building relationships

- Executive Director creates specific tasks and works with staff to carry them out
- Board monitors progress of strategic goals

... Case Studies - Who Sets the Strategic Goals of the Organization?

An example, if the Board's goal is to increase the number of students serve by 20% over the next two years, the Executive Director might implement outreach programs, engage with schools and community centers, and seek additional funding to support these efforts. The Board monitors the progress through regular updates and ensures the Executive Director has the resources and support to achieve the goal.

... Case Studies - Who Sets the Strategic Goals of the Organization?

Why the Board's Role in Strategic Planning Is Essential:

The Board's responsibility in setting the strategic goals is to ensure that the organization has a clear and unified direction. Without strategic goals, the nonprofit risks wandering aimlessly, potentially losing focus or failing to meet its mission.

The Board must ensure that the goals are not only achievable but also aligned with the nonprofit's mission, values, and resources. It is their responsibility to ensure that these goals push the organization forward and help it grow sustainably. Without Board involvement, there is a danger of the nonprofit focusing on activities that are not aligned with its core mission, which can lead to confusion, misdirection, or missed opportunities.

... Case Studies - Who is Responsible for the Success of a Fundraiser?

Your nonprofit is planning its largest fundraising event of the year—a gala that will bring together donors, community leaders, and business partners to raise funds for your cause.

Executive Director: organize the event, secure donations, manage staff & volunteers, ensure the night runs smoothly

- Secure a venue, identify speakers, coordinate logistics

Board of Directors: leverage networks, attend the event, make personal donations, serve as ambassadors

- Secure high-profile donors & sponsors; engaging with potential donors before, during and after the event

... Case Studies - Who is Responsible for the Success of a Fundraiser?

Shared Responsibility:

While the Executive Director leads the charge on the logistical side, the Board's involvement is essential to the event's success. Board members are responsible for being the organization's ambassadors, leveraging their relationships, and ensuring the nonprofit maintains visibility in the community.

A failure to engage the Board fully in fundraising could result in missed opportunities, weaker connections with potential donors, and a less successful event. Fundraising is a joint effort - without full engagement from both the Board and the Executive Director, the nonprofit could struggle to reach its financial goals.

Final Considerations

... Three Things to Remember

Collaborative Partnership: The Board and Executive Director

Although the roles of the Board of Directors and the Executive Director are distinct, they must work closely together to ensure the organization's success. A healthy relationship between the Board and the Executive Director is based on mutual respect, open communication, and clear delineation of responsibilities.

... Three Things to Remember

Communication and Trust

Effective communication is the cornerstone of the Board-Executive Director relationship. Regular meetings, transparent reporting, and clear expectations are essential for fostering a productive partnership. Board members should trust the Executive Director to manage day-to-day operations while the Executive Director should value the insights and guidance offered by the Board. Establishing this trust is key to a successful organizational partnership.

... Three Things to Remember

The Balance of Power

One of the most critical aspects of the Board-Executive Director relationship is finding the right balance of power. The Board must provide oversight and strategic direction without overstepping into the operational aspects of the organization. Similarly, the Executive Director must understand the need for transparency and accountability to the Board without becoming too reliant on the Board for day-to-day decision-making. A healthy boundary between governance and management is crucial to avoid micromanagement or a lack of direction.

Questions



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