



Whose Job is it Anyway? Navigating Board-Staff Relationships at a Nonprofit

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To provide free legal assistance to community-based nonprofits that serve low-income or disadvantaged individuals.

We match eligible organizations with volunteer lawyers from the leading corporations and law firms in Atlanta who can assist nonprofits with their business law matters.


Client Criteria & Other Information

- In order to be a client of Pro Bono Partnership of Atlanta, an organization must:
 - Be a 501(c)(3) nonprofit.
 - Be located in or serve the greater Atlanta area.
 - Serve low-income or disadvantaged individuals.
 - Be unable to afford legal services.
- *Visit us on the web at www.pbpatl.org*
- We host free monthly webinars on legal topics for nonprofits
 - To view upcoming webinars or workshops, visit our [Event listings](#)
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Legal Information

- This webinar presents general guidelines for Georgia nonprofit organizations and should not be construed as legal advice. Always consult an attorney to address your particular situation.
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The Legal Implications of the Board-Staff Relationship

➤ Friction/lack of clarity about essential responsibilities 

- Insufficient oversight
- Missed filings
- Vulnerability during transitions
- Crises that detract from mission delivery

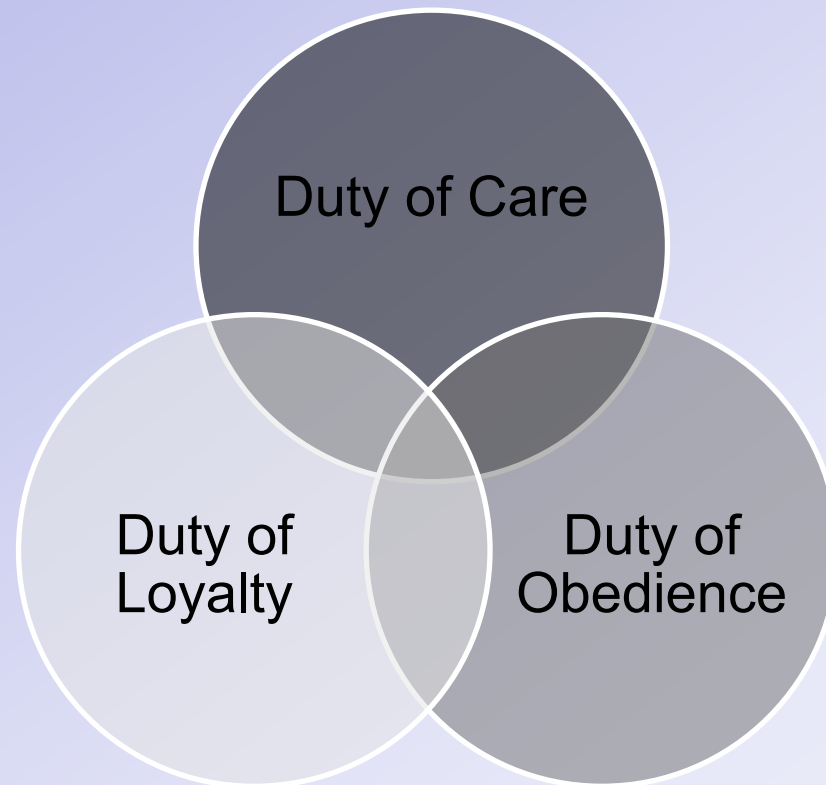
➤ Strong Board-Staff Relationship with clear roles 

- Accountability needed for legal compliance
- Efficiency
- Ability to focus on the mission
- Ability to respond to crises
- Smooth successions
- Added bonus: funders love it!

Setting the Stage

- No one “owns” a nonprofit
 - No “one” person is in charge
 - Your PBPA lawyer represents the organization
- Rule of Thumb
 - Board: oversight
 - Staff: implementation
 - BUT with a shared vision
- Relationship changes as organization changes
- Some bright lines and lots of blurry ones
- Policies are key! Also essential - transparency, communication and partnership.

What are the Duties of Board Members?



What are the Duties of Board Members?

- **Duty of care:** Act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances.
- **Duty of loyalty:** Act in good faith in a manner the director reasonably believes to be in the best interests of the organization.
- **Duty of obedience:** Act within the organization's purposes to further the mission of the organization.

Board: Vision and Oversight

- Determine mission and purpose of organization
- Appoint, oversee and evaluate chief executive
- Oversee financial matters and protect assets
- Ensure legal and ethical integrity
- Ensure adequate financial resources
- Monitor and strengthen programs
- Fundraise for and promote the organization in the community

Board: Authority & Actions

- Source of Authority
 - Articles of Incorporation & Bylaws
 - Board Policies & Procedures
 - Financial Policies & Procedures
 - Board Resolutions
 - Other policies and procedures adopted by the Board

- Acts **by consensus** vote at duly called meetings (usually by majority, but depends on organizational documents) or by written consent (directors affirm the vote in writing, whether at a meeting or from afar). A corporation's bylaws may state what the required quorum is for board action.

Executive Director: Authority & Actions

- Source of Authority
 - Bylaws
 - Job Description
 - Employment Manual & Policies
 - Budget
 - Strategic Plan
 - Policies adopted by the Board
 - Duties delegated by a vote of the Board of Directors
- Executive Director generally has authority to make unilateral decisions consistent with authority granted

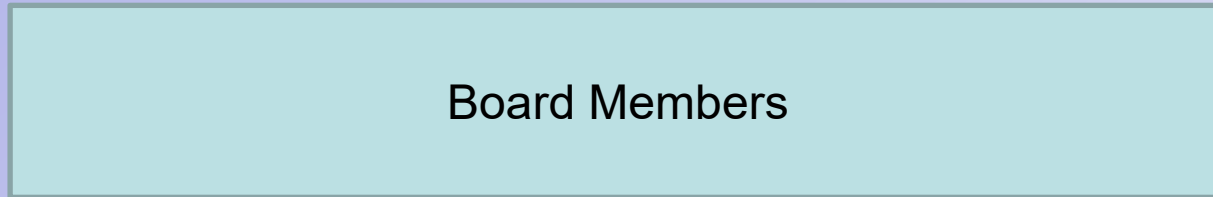
Board Members

Executive Director

Finance Director

Administrative Director

Project Director



Examples of Board-Staff Roles

Budget

Executive Director

- Prepares draft budget
- Implements budget – can spend according to the budget (no additional permission needed)
- Reports on expenses to budget (quarterly)
- Prepares requests for expenditures outside of budget

Board of Directors

- Finalizes and approves budget
- Reviews expenses to budget (quarterly)
- Approves expenditures outside of budget
 - ✓ *Policy Alert:* adopt a policy about overruns
 - ✓ Resolve: per line item v. overall

Employment

Executive Director

- Hires/fires/manages staff
- Determines salary through approved budget
- Evaluates staff performance
- Addresses staff grievances
- Creates and implements employment policies

Blurry lines: Board should not be involved in staff salary negotiations, but some boards set salary policies from a macro level to ensure appropriate use of nonprofit resources.

Board of Directors

- Hires ED (as a Board)
- Determines ED's salary
 - ✓ *Policy Alert:* Executive Compensation Policy
- Evaluates ED performance
- Decides to add staff
- Oversees Employment Policies
- Address staff grievances *pursuant to established policy*
 - *Policy Alert:* Whistleblower Policy/Grievance Policy

Taxes

Executive Director

- Prepares 990
- Files 990
- Ensures compliance with tax code
- Reports on issues regarding compliance with tax code

Board of Directors

- Reviews 990
- Ensures compliance with tax code
- Asks questions regarding compliance with tax code

Fundraising

Executive Director

- Ensures adequate resources
- Implements gift policy
- Properly records and acknowledges gifts

Board of Directors

- Ensures adequate resources
- *Policy alert:* Adopts a gift policy

Evolving Nature of Board-Staff Relations

- Stage One: Working Board
- Stage Two: Hybrid
 - Scenario One: Hires Founder
 - Scenario Two: Hires ED not previously associated with the organization
- Stage Three: Oversight and Fundraising Board

TIP: Revisit policies and/or get consultants to help at various stages of the organization's growth

Common Problems

- Board member
 - Individual board member assigns tasks to ED
 - Board assigns tasks to employees
 - Board weighs in on employee issues
 - Board micromanages projects
- TIP: clarify roles before asking for board help on traditional staff function

Common Problems

- Executive Director
 - ✓ Serves as a board member
 - ✓ Resists Board authority
 - ✓ Doesn't report issues

Top Tools

- #1: Board Chair - ED Relationship
 - Board Chair enforces boundaries and resolves disputes
- Well-planned meetings
 - “No surprise” meetings
 - ED keeps Board informed (e.g. if problem employee)
- Your PBPA attorney
- Consultants
- Ongoing Training

Top Tools

- Evaluations
 - ED Evaluation
 - Board Evaluation
- Board-Staff Retreats
- Annual calendar
- Respect, transparency, friendship and open communications

Key Policies

- Job Descriptions
 - Board
 - Executive Director
- Board of Directors On Boarding
 - Signed Board Agreement
 - Orientation

Key Policies

- Bylaws
- Board Policies and Procedures
- Financial Policies and Procedures
 - Including a budget overrun policy
- Employment Policies
- Executive Compensation
- Whistleblower policy (grievance policy)

Key Policies

- Strategic Plan
- Succession Plan
- Gift Policy (i.e. who makes decisions on unusual gifts, naming, etc.)

“Take Aways”

- A healthy board-staff relationship provides the roots that you need to have a strong organization
- Structure. Structure. Structure.
- Recognize that you are all on the same team
- Get help!

Questions?



For More Information

If you would like more information about the services of Pro Bono Partnership of Atlanta, contact us at:

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