

PBPA Podcast Transcript
Nonprofit Board Management of the Executive Director
Part II – Resignation and Transition
(14:24 minutes)



Sireesha ([00:01](#)):

One of the most important jobs a board of directors of a nonprofit organization might encounter is managing the transition of a new executive director. Sometimes with great succession planning and lots of lead time and executive director transition will be completely smooth and uneventful. But usually a board does not know when that transition moment will arise. In this episode of the PBPA Podcast, John Fleming will speak with us about what to do when your ED announces they are stepping down. Whether your founding executive director is resigning or your latest executive director is moving to a different organization, we will discuss important tips and considerations to help board members navigate this crucial time for the organization.

Sireesha ([00:58](#)):

Hello and welcome to the PBPA Podcast. In each episode of the PBPA Podcast, we explore legal questions relevant to Georgia nonprofits. I'm your host Sireesha Ghanta, Counsel and Education Director at the Pro Bono Partnership of Atlanta. PBPA strengthens our community by engaging volunteer attorneys to provide nonprofits with free business legal services. We provide numerous free resources via our website, including articles and webcasts specific to Georgia nonprofits and their business legal concerns. We also provide direct legal services to our clients. For more information on client eligibility requirements, to apply to be a client or to access our vast learning center, visit our website at pbpatl.org. Before we jump into this episode's topic, keep in mind that this podcast is general information, not legal counsel, contact your attorney for guidance on your nonprofits' specific situation.

Sireesha ([02:06](#)):

John Fleming is a partner with Eversheds Sutherland, where he also serves as senior pro bono counsel. He is not only a phenomenal litigator having been named to the best lawyers of America in the area, be the company litigation, but he has also been a dynamic member of the Atlanta nonprofit community having served on the boards of several nonprofits. I'm so excited to have such an expert to speak with us today. I look forward to our conversation today. John, thanks for being here.

John ([02:41](#)):

Thank you for having me, Sireesha.

Sireesha ([02:44](#)):

John, you have some great experience in this area, both as an attorney acutely aware of the fiduciary duties of board members and having served on nonprofit boards yourself. Armed with this background, what do you think is the first thing a board should do when it learns that their ED is resigning, whether it be for retirement or taking a new role with another organization?

John ([03:12](#)):

Sireesha, there's actually something the board should have done before that happens and, and that, uh, is very important. Whatever the size of the organization there should be in place a succession plan that covers, in particular the sudden emergency, a health emergency or a sudden job change, or a need to

fire the executive director, uh, the board needs to have a, a plan that would have either a deputy executive director or some other staff member come in or have the executive committee appoint an interim director while the work of developing a a longer succession program is worked out. So first thing, there should be a succession plan. Then you get the announcement as you suggested, and, and we'll stick with the situation where the ED is resigning or leaving, and is on good terms. Then the board is going to have to have a committee, and it may be designated in the succession plan or the executive committee may appoint a search committee, which can include board members and others, other stakeholders, depends on the nature of the organization and what is deemed the best group to decide how the group, the organization's gonna continue.

John ([04:28](#)):

One early question for that committee is, do we hire a consultant to search for an executive director? If the organization has the funds to do it is a great thing to do in, in my experience because consultants, uh, and, and there are specific consultants that help with searches for nonprofit, um, staff members and executive directors. Um, you can, uh, send out a request for proposal among several. You'll get proposals. You can vet those. They'll propose different levels of services, different numbers of interviews, different levels of work in preparing the job description and in helping you with committee meetings and culling lots of applications and helping with the final interviews. So they're different levels, but the consultants can be very helpful with this process. But with or without a consultant, uh, once you have your search committee, one of the first things you have to do is come up with a job description.

John ([05:30](#)):

And it's important, if you've got a cooperative relationship and we're assuming you do with the leaving, the departing executive director, to do a brain dump. Find out what they've been doing and to do, kind of many strategic planning among your search committee. Reaching out to the other shareholders, the donors, the staff, the clientele to determine what you really want this position to be with the new person coming into it. And that job description, of course, becomes very key 'cause you post that on all sorts of websites where you can find good candidates. And so those are some of the first things you do when you learn you're losing your executive director.

Sireesha ([06:13](#)):

And I'm glad that you mentioned that one of the first steps is probably a pre-step. And that's a succession plan. And PBPA does have some, an article specifically to help guide nonprofits through succession planning, working through that. Let me ask you, John, as they're going through a brain dump, what type of information should the board try to collect from the ED in terms of organizational information?

John ([06:42](#)):

Information that would help in crafting a job description. Basically, how has the executive director been spending his or her time? And there may be recommendations from the executive director about things that could be usefully changed as this transition is happening. But what are the direct reports? What percentage of time is spent in the different activities, fundraising, development, budgeting operations, and what are gonna be the key functions that you expect this new executive director to be able to handle

Sireesha ([07:21](#)):

That debrief session is also a good opportunity to get a better understanding of what's going on in the organization. For example, financial management and ongoing contracts that are in place, just so that the board or the interim executive director can be well aware of what's going on at the organization, and what its obligations are, to help in the transition. And I'm gonna make a plug here, in our special interest at PBPA. I would also suggest for any PBPA client, get together a list of outstanding legal matters and create a plan to transition projects. Identify someone within the organization that could be a liaison with PBPA in the interim. But now John, let me ask you, what are some tips or suggestions that you might have for a board as they are looking for a new ED?

John ([08:21](#)):

One thing that is gonna be a tough question sometimes, in connection with the committee, the search committee that we discussed, is how do we get staff input, in an appropriate way, without giving the staff veto power? Because it's ultimately a board decision. But you don't want the staff to be upset with how the committee handles this and all leave, obviously. You want their input 'cause you wanna know what's gonna work best. This has made a little more complicated often because there may be a staff member or more who want the new position. Uh, in that case, you really can't be putting a self, valid candidate for the position on the search committee. But you certainly want their input about what the job should look like as well.

John ([09:10](#)):

We had one situation where we had a high level staff member who expressly did, was not interested in the job, and she was in personnel and had good connections. So we made her part of the search committee and I think that worked out pretty well 'cause she had a good line of communications with the staff, um, and, and was interested in doing the best thing for the organization. Did not have a personal agenda. But however you deal with that, you gotta deal with it. Because you need to have the staff have a high level of comfort that the board and the search committee is doing the right things and considering the right questions in finding a new ED. One thing that has occurred in a number of situations, in these types of successions, particularly where you've had a longstanding, uh, executive director is the appointment of an interim, uh, interim executive director. And that could be somebody who's, with the organization currently or in somebody who's in essence trying out for the position. Or it can be somebody who's senior, didn't want it, the full-time position, but is willing to do it for a while, while you, while the search committee goes on to find the right candidate.

Sireesha ([10:23](#)):

So speaking of an interim executive director, if an organization's considering hiring one, what should they keep in mind specific to an Interim ED?

John ([10:35](#)):

It's important, very important in that situation that you have a written agreement with the interim executive director, just as you will with the executive director, which specifies what's expected, how long it's gonna last, and maybe whether there's a possibility for a, a hire or promotion, if you will, at the end of the period.

Sireesha ([10:58](#)):

Those are great thoughts on an interim executive director. John, do you have any other additional considerations that you would think that board should keep in mind as they are navigating a transition?

John ([11:12](#)):

As we said, you gotta touch base with all of the stakeholders. For nonprofits, often donors are, extremely important. Uh, usually they're to some extent represented by board members, but there are other, they're foundations. That, it would be great for different committee members to go out and have a conversation with. So that you can be confident that they know the board's doing the best to continue the mission of the organization. And they feel like they got listened to so that when you get the new ED and you go knock on the door, they say, yeah, they took us into account when they were making this choice, whether we think it's perfect or not, but they can still open up the checkbook.

Sireesha ([11:55](#)):

Yeah, that's a great point you make, making sure you know who your stakeholders are. And when and how to notify them to let them know. About the process, about having a communication plan.

Sireesha ([12:10](#)):

And I would like to point out that an executive director is like an employee in general too, that when you offboard them as they're leaving, keep in mind at the back of your head that you still need to take care of all of those employee wrap up steps such as, um, collecting laptops, keys, and changing passwords upon departure. Um, these are all best practices to have for any employee. Now, John, this is such great information that you have shared with us today. Armed with this guidance, in what can otherwise be a very stressful time for a board, this will hopefully make it a little less daunting. A board's dedication throughout this process safeguards the nonprofit's mission and ensures the organization remains resilient and effective in serving its community.

John ([13:02](#)):

You bet, Sireesha. And I think you summed it up well. That when you sign on for board service on a nonprofit, you know, you're committing to give your talents and your time to the organization. Then there's sometimes where a little more of that is asked for, and that's particularly the case when you've gotta find a new ED to lead the organization. So it's an very important time for board service and for the, for the board to step up and, and give their time and talents to the organization to find leadership, to keep the organization going into the future.

Sireesha ([13:36](#)):

John, thank you so much. Thank you for sharing your expertise and insight with us today.

John ([13:41](#)):

Hey, thank you Sireesha.

Sireesha ([13:42](#)):

We hope that you found this episode of the PBPA Podcast to be informative and helpful. We add new episodes every month with short conversations about general, yet important legal information for Georgia nonprofits. Remember that this is not legal counsel. Talk to your attorney about your organization's specific concerns. Thanks for tuning into the PBPA Podcast. And to all nonprofits listening out there, thank you for all the good work you continue to do in our community.