

PBPA Podcast Transcript
Board Management of Executive Director Series
Part I: General Oversight
(26:12 minutes)



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

As the linchpin of a nonprofit, the executive director is tasked with translating the organization's mission into action and managing day-to-day operations. But what role does the board of directors play in ensuring accountability while maintaining a collaborative partnership? And how can board members navigate the fine line between oversight and overreach? In this episode of the PBPA podcast, Alan Rosselot and Justine Cowan will discuss how the fiduciary duties of board members apply when overseeing the executive director.

Sireesha ([00:43](#)):

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.

Alan ([02:33](#)):

Thanks, Sireesha. It's great to be with you and Justine.

Justine ([02:36](#)):

Happy to be here.

Sireesha ([02:39](#)):

So today's conversation is part one in a three-part series about board management of EDs. Part two, we'll cover board management of ED, resignation and transition. And part three will delve into conflict management and if necessary, the termination of the executive director. But today we're going to be talking about general oversight. Now, some folks listening here today may be thinking, well, the board is responsible for working with the ED, but Alan, why does the board of directors of a nonprofit need to maintain oversight of their ED?

Alan ([03:23](#)):

I think there's both a legal and a practical answer here. And, and so maybe I think we, and you've already kind of touched on it, the introduction, but if we think about the respective roles in the board, and executive director, that's a good place to start. The board is ultimately responsible for the organization, and the role of the executive director is to manage that organization on a day-to-day basis.

So from a legal perspective, the directors have fiduciary duties, the duties of care, loyalty and obedience. And these duties generally require that the board members pursue the mission of the nonprofit without seeking to benefit themselves by following the nonprofit's organizational and governing principles. So I was ticking off one, two, and three there. That's sort of one pursuing the mission of the nonprofit, that's the duty of care. Without seeking to benefit themselves. That's the duty of loyalty. And following the nonprofits organizational and governing principles, that's the duty of obedience. So the primary way that the board carries out its fiduciary duties, principally the duty of care, is to exercise oversight by making sure the executive director is managing the day-to-day operations of the nonprofit. Well, the board and the executive director together and collectively set the strategy for the nonprofit.

Justine ([04:50](#)):

Alan did a really great job of outlining the board duties. And, you know, and it, there's a lot of things involved in that. They're setting compensation, attending board meetings and the board needs to make the right decisions for the organization. And I've been working with boards and executive directors for about 30 years, and as Isha said, I've also been an executive director, and I did that for 13 years. And at the end of the day, I've learned that while the board is responsible for ensuring that the organization is being well run, that can't be done without paying attention to and nurturing the relationship between the executive director and the board. And one thing I've noticed, time and again, is that that relationship is often a barometer of how an organization is doing. And I would say it's one of the most important relationships that exist in the nonprofit world. And then when you have a really good healthy executive director board relationship, it allows an organization to leverage all of its talents to grow, become sustainable. It allows an organization to get through hard times and allows for smooth transitions when the inevitable happens: when there's staff changes, board changes, and even when the executive director departs,

Sireesha ([05:59](#)):

And you both alluded a little bit to the roles of executive directors versus a board. And I just wanna make a quick reference to a resource that PBPA has that goes into more detail about what is the ED responsible for versus what is the board responsible for. And I will share a link to that on the episode page for this episode. And so, so far, Justine, you guys have addressed the why. Why does the board need to maintain oversight? But what about the, how, what are some general basic principles of good board oversight?

Justine ([06:38](#)):

Well, I think for the purposes of this discussion, let's assume that the board of directors engaged in a deliberative process to identify the right person to be the executive director. Or perhaps there's an executive director who's been working there for a long time longer than some of the board members. Either way, let's assume that the executive director is talented and right for the job. Um, there will be another podcast, as Sireesha mentioned, that's gonna address when that's not the case. So that means that it's in the best interest of the organization to keep this executive director. And I think any board member will know that it is a long and difficult process to identify the right person to operate a nonprofit organization as an executive director. And what I see when that relationship is really successful, I see a few things.

Justine ([07:32](#)):

And one is that it's a deliberative relationship that the board doesn't just let the relationship be as it may but takes the time and puts together processes or really focuses on that relationship. Um, for example, you might have a committee that's responsible for the oversight of the executive director, but they're paying attention to it. The board is also exercising the right amount of oversight. Um, but what we see sometimes is a board that over reaches and might do a bit of bit of micromanaging, or perhaps they're stepping back too far. So the amount of oversight is very important. And then collaboration, which is a word that is very important in this podcast that we've already heard. And, you know, as a board member, you are bringing certain things to the table. And so it's, and you have a wonderful executive director. And seeing that relationship as a collaboration is essential to success.

Justine ([08:33](#)):

And then the last piece that I see is the board's ability to inspire the executive director. So think about when you have an executive director and the executive director manages her staff. If she just gives tasks to that, to those employees, that's only part of the job of being a manager. The other part of it is to inspire and to create a good workplace and to create an environment where talent can succeed. And so when I see boards realizing that part of their role is to inspire the executive director and to create an environment where she can do her best work, um, I see a lot of success.

Alan ([09:16](#)):

So, I think that last part is really important. In the example you laid out, the board's role is not to do, at least not in terms of managing the day-to-day of the nonprofit, which we've already kind of talked about. But the board does need to provide the right environment support, counsel, and guidance for the executive director to carry out the mission. The board needs to be interested, engaged, but not micromanaging. Justine, as you said earlier.

Sireesha ([09:42](#)):

Alan, can we talk a little bit more about what that looks like? Not to do, but to inspire? Can, let's get into the nuts and bolts of that.

Alan ([09:51](#)):

Yeah, I think maybe just taking a step back, it's, it's probably worth mentioning that what we're talking about here and sort of building on the example that Justine started with is where we have in an organization that has an executive director and other paid staff that's really, you know, like a governing board, you know. And in nonprofits where there is no paid staff, the board inevitably has to do more, has to be involved in the regular work in the organization. So that kind of board is more of a working board. So when we focus on the, the governing board, it's oversight role still can depend on the size and the stage of the, the nonprofit. So, there's no, you know, one specific way to think about the details of the relationship, and I think they're both formal and informal aspects of it.

Alan ([10:39](#)):

But maybe if I give an example from, from my experience as a board member of a youth sports organization, that might help, help get into some of the nuts and bolts. And, and I'll start sort of on the

more informal side. When I, when I joined that board, the board still included a few of the founding parents, who were largely volunteers, and they drove the day-to-day operations of the club. When I joined, they had recently experienced a transition in the executive director, one of two paid staff members to a talented, but relatively inexperienced executive director. And so while the club was growing mature, growing more mature, the board hadn't really let go of sort of their involvement in the day-to-day. A lot of good growth in the relationship had occurred. But when I became the chair, one of my recent predecessor had been sort of overly involved in the day-to-day decision making.

Alan ([11:35](#)):

When I took over, I made it very clear to the executive director from day one that I expected her to handle the day-to-day, but that I and the other board members would be there to support her as needed. So how do you get there? Communication was absolutely key, the core of our relationship for it to be successful. So we started with weekly, 30 minute conversations just for her to catch me up on what was going on. Those conversations allowed her to bring problems to me before they bubbled up, or just to bring up topics where, where she wanted a sounding board or she needed some advice. Uh, those conversations headed off problems. It also gave us time to think about how the strategy and the operations of the club could improve over time. We scaled back the number of conversations as we both became more comfortable. It also enabled sort of the board itself to become more professional, less hands-on, not micromanaging, and more focused on supporting the long-term operational and financial strategy of the organization. And the other benefit of that is it gave the executive director room to thrive and set the stage for her to pursue other opportunities and for the organization to continue to grow. So that's the, the sort of the more informal side, just setting a good foundation, relationship, communication, so crucial.

Alan ([12:57](#)):

On the formal side of things, as, as I said it, it did make our board meetings more productive. We spent less time dealing with details and talking about things at the right level, strategy, oversight, you know, financial performance of the organization. And so that was, you know, a great benefit to the board as well.

Alan ([13:19](#)):

And sort of also on the more formal side of things, and Justine alluded to this as well, the board should be providing feedback at least annually, a performance review and, and probably informally as well. So those kinds of things are, are, are what help the relationship, you know, not only build, but also provide opportunities for growth on, on all fronts. The last thing I'll say about, about the, the feedback process. And that could be, you know, depending on the size of the organization, could be a relatively small, it needs to be a relatively small group. So it could be of a committee of the board rather than the full board.

Sireesha ([13:57](#)):

Alan, that's a great example of effective, solid oversight by the board, not just seeing, you've been working with Eds and boards for a while. Tell us a little bit about the flip side of that. What are some challenges that you have seen boards have with oversight, and how do you address that?

Justine ([14:16](#)):

Yeah, I have, I have worked with executive directors for a long time, and as I said, I've been one myself. And, and that relationship between an executive director and a board can really, can really dictate how satisfied an executive director is in their position. And I hate to focus on the negative, but I think we can learn some lessons, um, by what sometimes doesn't work, right? Um, and so again, we're assuming that you have a wonderful executive director. So number one complaint [from EDs], not showing up, um, that is uniformly the number one complaint. And you might think, how does that relate to your fiduciary duties and all your legal responsibilities? Well, you can't exercise the oversight that you have signed up to do if you're not at the table. Um, and it also just strengthens the relationship between the board and the ed, which is so essential because by showing up, you're showing the executive director that what she's doing matters and that you're engaged in the process.

Justine ([15:14](#)):

And along those lines, it's also not following through on the tasks that have been assigned or being reticent to take on tasks. The executive director has a great deal on her plate. And you know, let's say you bring up, this is a common complaint I hear, the executive director brings up fundraising, and there'll be an audible groan in the room perhaps, or someone will say, no, no, no, that's not my job. Well, it is, and the reason it is, is because it's related to your fiduciary duty and of making sure that there's significant resources, um, for the organization to grow and thrive. And so this is someone who, your executive director who's a talented individual showing up, asking for your help. And if she's asking for your help, there's a reason. And so instead of, you know, saying, I can't do that or not signing up for it, explore it, have conversations, and find a collaborative way to make her request work for everybody who's in the room.

Justine ([16:15](#)):

And also it's, I've also seen when boards don't understand the unique relationship between the board, um, and the executive director, and sometimes they'll say, well, we, you know, we're the boss. And so we get to tell the executive director what to do. And now the first caveat to that is that no single board member can ever assign a task to the executive director. It has to be the full board that's assigning the task. And let's say the full board does decide that they wanna assign a task. It's important how you communicate that to the executive director and remember to communicate in a way that inspires and is respectful and all of that.

Justine ([16:54](#)):

Um, and the other thing is making sure that the oversight is consistent. So what'll happen sometimes is that a board doesn't pay attention to something for, you know, a year, and then suddenly they do. But the board and the executive director's been working on this issue for a year. And so just be mindful of those kind of things.

Justine ([17:14](#)):

Um, and the last one I want to wanna bring up is make sure that the board is aware of and able to recognize executive director burnout or stress. Um, because executive directors do get burnt out or they're, they're engaged in a lot of stress and being able to step in and help with that, see what she needs, um, it's always helpful. Some boards have longtime executive directors have sabbaticals. Those

should be discussions that the board should be having, is making sure that the executive director is supported and happy. Now, the good news is that if everyone understands those roles follows through on their jobs that are assigned, um, steps back to make sure all communication is thoughtful, you've pretty much gotten most of the way there.

Sireesha ([18:02](#)):

Those are some great examples of what to do to help encourage that collaboration. Um, and some general tips for how board members can work with their executive director. Now, let's look at it from the, from the legal angle a little more. So, Alan, you've had a significant experience on nonprofit boards. What policies and procedures do you recommend to help a board maintain oversight and a healthy board-ED relationship?

Alan ([18:29](#)):

So, I guess I should start by saying, you know, in general, I'm not a fan of adopting policies and procedures just for the sake of adopting policies and procedures, because the worst policy you can adopt is one that nobody follows. So, so I do think organizations need to be thoughtful and careful about what they do. And maybe I'll mention four that are, are pretty good. I think at least in terms of consideration, you know,.

Alan ([18:54](#)):

The board's own processes are largely covered through the bylaws, so it's worth revisiting those from time to time. But every organization is gonna have those, if the board does need more structure around its own processes, either because there's been a history of conflict or whatever the circumstances might be, a board policy document that goes a little more, a little deeper, um, can be helpful. So that's, that's the first one.

Alan ([19:19](#)):

I think the second thing that, that can be really helpful, particularly in creating the, uh, relationship between the, the board and the executive director is, is a document that will help define where the line is between management day-to-day and what the board's responsibility is. And so a delegation of authority to the executive director, either in terms of establishing a dollar amount that can be approved for expenditures or the types of actions that the executive director can take without having to go to the board. I think that's really helpful to help create the right level of oversight, responsibility, uh, and give the freedom to the executive director to act.

Alan ([20:05](#)):

The third thing that I would think about, um, that can be really helpful is a financial policy. Again, this may depend sort of on the sophistication or the maturity of the organization, but that can be really helpful to giving the executive director and staff the ability to manage the finances of the organization and make decisions without going to the board and or helps the board set among itself the financial priorities of the organization.

Alan ([20:35](#)):

And then the last thing that, that I would strongly encourage organizations to think about, and this is kind of two-pronged, is about succession. I think an emergency planning process is extremely important in case the organization has to navigate through an unexpected situation. An executive director, you know, is out for some reason temporarily, family emergency, whatever, having a plan in place so that the staff knows how to step in and help out what the responsibilities are, how they get divided up, that's a great resource to have when, when something bad happens. The other part of that is just regular succession planning. Um, how that's formalized can depend on the, the board and the organization. And as uncomfortable as it may be for both the board and the executive director, it's crucial for the organization to be ready for a transition whenever it may come.

Sireesha ([21:31](#)):

So far, we have been mostly talking about oversight by the entire board of directors, but let's talk a little bit more specifically about what role does the chair of the board have in all of this? Alan, let's start with you.

Alan ([21:48](#)):

The function that the, the chair can play is really important because the chair can be a liaison between the full board and the executive director. This gives the chair the ability to be an advocate for the executive director to the board, and vice versa. Maybe in the, in the case of communication from the board to the executive director, it's being a firm voice on behalf of the board if needed, stated differently, the chair can help provide the platform for the executive director to succeed, but also can take corrective action. Developing a really good working relationship through communication, like we've already talked about, is so crucial, and I can't emphasize that enough. And I should also say that I think it's very important for the chair to be available to the executive director, not to solve the ED'S problems, but just to be a support and counsel when needed.

Justine ([22:43](#)):

Well, I'm gonna go and to an a real life example, of the chair of the board of the organization that I ran. And he probably served as chair a little longer than is suggested by best practices. I will admit that I didn't mind because he was such a wonderful chair and I think back on what it was that made that relationship so special. And, you know, he definitely was there as a confidant for me to work through problems and to do troubleshooting. But he understood the rules about the roles and responsibilities of the executive director versus the board and all of that. So he was really up on how a nonprofit should run. And then the most important thing is that he saw himself as the person who enforced those rules and understood that as the executive director, it's very difficult for an executive director to ask a board member to do something, to follow a rule, to follow through on something because of the dynamic. And so it's much better to have the chair of the board be the one that's saying: Hey, did you follow through on your tasks? Okay, remember, we act as a board and no individual can assign a task. And, so that was a really important thing. And then probably the most important thing was that he inspired me and he believed in me, and that's a really important role for a chair to play.

Sireesha ([24:09](#)):

That is it for my questions for now. I do have more questions about board management of eds, but those will be covered in parts two in three of this series. Alan, Justine, do you have any closing thoughts you'd like to share on board oversight?

Justine ([24:26](#)):

I mean, I think that board oversight, I mean, it really just comes down to a few basic rules. And that is, well, the number one is, is know what the rules are and know what best practices are, and then just follow them in a deliberative and thoughtful manner. And that really gets you most of the way there.

Alan ([24:46](#)):

And I would just emphasize sort of what I've already said a couple of times, that communication, between whether it's the chair or the full board and, and the executive director is so key. Just keeping good, open, honest communication goes such a long way to helping the board do its job in the right way.

Sireesha ([25:04](#)):

Thank you, Alan and Justine for providing this practical insight and guidance here on the general management of an executive director. You have provided an understanding on both why and how nonprofit boards can provide effective oversight of their executive director. Justine and Allen, thank you so much for sharing your time and expertise with us.

Alan ([25:27](#)):

Thanks so much.

Justine ([25:28](#)):

Thank you.

Sireesha ([25:30](#)):

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.