

# **BOARD OF DIRECTORS V. EXECUTIVE DIRECTOR ROLES** **WITHIN THE CAA**

## **Role of the Board of Directors**

In general terms, the board of directors provides oversight and guidance to the executive director and the nonprofit's other staff members. The board ensures that the organization stays aligned with its mission and values in addition to complying with all federal and state laws.

Specifically, the board of directors has oversight over the following areas:

- (1) Legal Oversight.** The board ensures that it is operating in accordance with its mission and the purpose for which it was granted tax-exempt status. As safeguards of the public trust, board members are responsible for protecting the organization's assets. The board ensures legal and ethical integrity and maintains accountability.
- (2) Management Oversight.** The board is responsible for ensuring that the nonprofit corporation is being run well. The board selects the executive director and decides his/her role. The board supports the executive director and assesses his/her performance. The board has the power to hire and remove the executive director.
- (3) Financial Oversight.** The board provides proper financial oversight, including setting and approving an annual budget. The board ensures there are financial resources. Many board members are involved in making sure the nonprofit has the money it needs. This may include making personal donations, organizing fundraising events, or other fundraising activities.
- (4) Program Oversight.** The board ensures that programs are in place to further the mission and goals of the organization.

## **Role of the Executive Director**

While the board's role is to oversee, many times the board will hire a key staff person to execute those policies, programs, and initiatives. This person is often called the executive director. The executive director is more involved than the board in the day-to-day operations of the organization.

- (1) Staff Management.** The executive director hires, supervises, and motivates the staff of the nonprofit.
- (2) Development and Management of Policies and Programs.** The executive director works with the staff to develop policies to guide the organization and programs to fulfill its charitable purpose.
- (3) Staff Liaison to the Board of Directors.** The executive director must also keep the board informed of what the organization is doing. The executive director attends board meetings and maintains open lines of communication with the board of directors.

## **Shared Responsibilities**

A nonprofit's board of directors and executive director should also work together on broader projects that are important to the well-being of the organization:

**(1) Strategic Plan.** The board and executive director work together to create a strategic plan to guide the organization.

**(2) Fundraising Plan.** The board and executive director develop a fundraising plan to ensure that the organization has the resources needed to fulfill the strategic plan.

**(3) Evaluation of the Organization.** The board and executive director implement periodic evaluations of the organization to ensure that the nonprofit remains true to its mission and is effective.