

*The effective governance of non-profit organizations relies on clarity of roles and responsibilities. Some confusion can exist with respect to the line between the board and the executive director/CEO's authority. Some blurriness of the line is to be expected in unusual circumstances and new situations but not so in most routine matters. This policy will be of interest and value to new board members and staff.*

## Authority and Accountability of the Executive Director

The authority to direct the operations of the society is delegated to the executive director by the board of directors.<sup>1</sup> The executive director's accountability is the accumulated accountability of all staff and therefore represents an accountability for all aspects of the society's operations except for the work of the board itself.<sup>2</sup>

The executive director is accountable to the board for:

- a) The pursuit and achievement of the society's mission and objectives
- b) Progress in meeting strategic organizational goals except where the responsibility for strategic matters is shared with the board, or is a matter that is primarily the board's responsibility<sup>3</sup>
- c) The financial management of the Society<sup>4</sup>
- d) The hiring, firing, direction and evaluation of staff consistent with the workplace principles and practices described in employment legislation and board policy<sup>5</sup>
- e) The implementation of, and compliance with, policies that direct the society's operations in other operational areas<sup>6</sup>

The executive director will regularly report on these matters to the board as formally agreed upon and/or as specified in the specific policy areas. The executive director's performance will be regularly reviewed through the five lenses above.

The executive director will make a reasonable interpretation of all governing policies with respect to operations and make decisions and take actions consistent with them. The executive director will establish more detailed policies and procedures at an operational level where greater clarity is important to staff and where transparency is expected.

Where operational policies are inadequate or need to be improved, the executive director will bring recommendations for changes to the board.

The Executive Director may delegate specific responsibilities and authority to staff. However, these responsibilities shall remain, from the board's perspective, the work of the Executive

Director. In other words, the Board shall hold the Executive Director accountable for the work of the staff.

Only decisions of the Board, acting as a whole, are binding upon the executive director. In particular:

- a) Decisions or instructions by individual board members, officers or committees are not binding except where specific authorization is given by the board
- b) In the case of an individual board member's or a committee's request for information or assistance, the executive director may refuse such requests, if, in the executive director's judgment, the effort involved compromises more urgent priorities
- c) The executive director may call upon individual board members for advice but since such advice does not carry the authority of the board, the accountability for resulting decisions rests solely with the executive director

Except for the incorporating bylaws, the board may, at any time, formally change the specifics of, or level of detail in, the governing policies possibly shifting the boundaries between board and executive director responsibilities. Otherwise, the board and all its members will respect and support the executive director's decisions.

*Note: This sample policy may be freely copied and adapted without permission by non-profit organizations for their own use.*

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<sup>1</sup> The title and overall content of this sample policy has been influenced by ideas in John Carver's Policy Governance Model. The model is thoroughly described in his book *Boards That Make a Difference: A New Design for Leadership in Nonprofit and Public Organizations*, Jossey Bass, 3rd edition, 2006.

<sup>2</sup> This statement seeks to make it clear that the ED is not responsible for the functioning of the board.

<sup>3</sup> Usually, the development of a strategic plan or set of current organizational objectives is a shared responsibility. Implementation of some specific strategic initiatives may also be shared. A board may assume responsibility for some matters including fundraising or contract negotiations.

<sup>4</sup> Responsibility for day-to-day financial management, including performance to budget, usually falls to the executive director. Board treasurers are more likely to serve in an advisory capacity to both the board and the executive director. The existence of a high-level financial management policy might be referenced here.

<sup>5</sup> The management of staff or employees are specifically mentioned given the importance of this role. The HR principles the organization follows should be described more detail in its HR policies.

<sup>6</sup> Financial management, human resource management, fundraising management, volunteer management and service quality are typically the main areas of board policy that set out operational instructions, principles of practice not so much procedural details, to the executive director.