Division of Roles between Board and CEO/Executive Director

(Adapted from "Building and Managing An Effective Board of Directors, Center for Nonprofit Mgmt)

This chart describes the roles and responsibilities of the Board and the CEO/Executive Director in critical areas. Review each entry and revise as based on the specific needs and requirements of your organization. This chart should be reviewed on an annual basis and updated if necessary.

Responsibility	Board Of Directors	CEO/Executive Director
Legal	○ Exercises fiduciary role to ensure that the organization is properly managed. The board should have a mechanism to validate information from the CEO/Executive Director. ○ Maintains legal status; ensures the proper paperwork is submitted to governmental agencies. ○ Reviews financial and business dealings and exercises proper judgment in self-dealing transactions -- avoidance of conflicts of interest.	○ Must provide information to the board to demonstrate that the organization is well managed. ○ Compiles information for annual filing requirements. ○ Signals to the board if any situations are likely to occur/have occurred that jeopardize the legal status of the organization.
Finance and Accounting	○ Approves annual budget and long range financial forecast ○ Reviews periodic financial reports (balance sheet, income statement, changes in financial position). ○ Ensures that proper internal controls are in place.	○ Prepares annual budget and long range financial forecast with input from CFO and finance committee ○ Oversees preparation of periodic financial reports. ○ Implements proper financial controls.
Planning	○ Establishes mission, vision and overall program direction for the organization. ○ Reviews strategic plan progress. ○ Assesses compliance/progress in achieving program/service outcomes. ○ Assesses program evaluation plan.	○ Participates in establishing mission and program direction for the organization. Contributes to vision of the organization; and assists the board in maintaining focus and momentum for the organization ○ Develops specific program goals and objectives based on mission. ○ Develops reports or oversees staff development of reports to demonstrate program progress.
Policy	○ Develop and adopt written board level policies. ○ Responsible for reviewing board level policies periodically	○ Identifies need for new policies ○ Responsible for assuring the implementation of policies and for assisting the board in analyzing policy options

Responsibility	Board Of Directors	CEO/Executive Director
Contracts	○ Approves and monitors those contracts under the purview of the board.	○ Administers contracts approved by the board. ○ Approves and monitors all other contracts
Personnel	○ Sets and reviews over-arching personnel policies. ○ Hires CEO/CEO/Executive Director and evaluates his/her performance. (Executive Committee conducts performance review.	○ Implements board level personnel policies. ○ Develops and implements all other personnel policies. ○ Recommends changes in personnel policies to the board. ○ Hires all personnel and evaluates performance of staff members (or delegates to appropriate supervisor).
Board Accountability	○ Establishes and communicates clear expectations of Board directorship. ○ Assures effective participation of Board directors. ○ Conducts annual board self review process.	○ Facilitates training and information exchange for members in preparation for selection of Board directors. ○ Facilitates effective communication among Board directors.
Decision-making	○ Defines and communicates the role of Board and CEO/Executive Director in agency decision-making. ○ Assures appropriate involvement of board directors in organizational decision-making.	○ Makes all decisions except those explicitly reserved to the board.
Community Relations	○ Promotes the organization to various publics. ○ Promotes cooperative action with other organizations in alignment with the mission, vision and overall program direction of the agency.	○ Interprets the mission of the organization to the community through direct involvement, public relations programs, including personal contact, descriptive program literature, and work with the media; works closely with the board for an effective division of labor.
Add Others Here	○	○

Board, Committee, and Staff Roles in Financial Management and Oversight

Board's Role	Finance Committee's Role	Staff's Role
Approves a budget that reflects the organization's goals and Board policies.	Revised budget and makes recommendations.	Prepares the budget and presents it to the finance committee or full Board with back-up information.
Reviews monthly or quarterly financial statements.	Reviews monthly financial statements with appropriate staff Director and/or accountant.	Monitors income and expenses on a daily basis. Prepares financial and program reports that can be compared to the budget and projected activities.
Ensures adequate financial controls and that financial reports are in accordance with accounting practices.	Reviews accounting and internal control policies and makes recommendations for changes and improvements.	Raises policy issues and provides information for standard accounting policy decisions. Implement policies established by the Board.
Reviews the audited financial statements, management letter, and senior staff's response.	Reviews the audited financial statements, management letter, and senior staff's response with staff and auditor.	Provides information and offers recommendations to finance committee. If necessary, responds to a management letter.
Approves the organization's investment policies and reviews them annually.	Regularly reviews and makes recommendations about investment policies.	Provides information and analysis if needed.
Is well-informed about the organization's finances.	Coordinates Board training on financial matters. Acts as liaison between full Board and staff on fiscal matters.	Provides training and information as requested.

Strategic Plan Roles

Board

1. Sets overall direction and communicates that direction to the organization
2. Formally approves the strategic plan
3. Assures alignment of overall staff, board and committee planning
4. Assures that strategic plan guides board recruiting efforts
5. Identifies continuing and current priorities and develops organization's financial plan accordingly
6. Establishes procedures to facilitate committees' response to the strategic plan
7. Evaluates and updates strategic plan
8. Revises mission, vision, goals, strategic directions, and priorities
9. Establishes criteria for successful outcomes and monitors outcomes to assure quality and impact on an ongoing basis
10. Conducts annual self evaluation

Board President (and Vice President/President-Elect)

1. Defines activities in support of organization's strategic directions
2. With Executive Director, guides Board interpretation of plan in relation to programs and other critical activities (board leadership development, community relationship building, etc.)

CEO/Executive Director

1. Develops/updates environmental scan
2. Champions the mission and vision and provides continuity
3. Interprets plan to staff, stakeholders and general public
4. Completes annual report of organization's and committees accomplishments in relation to strategic directions
5. Assists president and board with development of implementation plan within defined areas of board responsibility
6. Sets schedule and sequence for evaluation, review and updating of plan

Committees

1. Within the organization's Strategic Plan, identify committee priorities that support goals and strategic directions
2. Develop activities that support committee priorities
3. Complete annual report of committee accomplishments in relation to strategic directions.
4. Contribute to overall organization's strategic planning process.