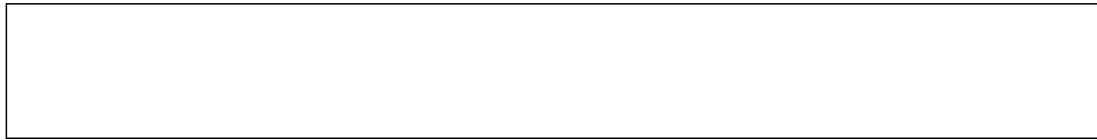


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THE BLOG

The Nonprofit President/CEO: How Much Board and CEO Trust Is Involved?

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The title, president/CEO for the operating head of a nonprofit, clearly signals to the public who has the final authority in all operating matters and can speak for the organization.* It is not an ambiguous set of titles. However, the terms "manager" or "executive director" can be quite ambiguous and do not generate the same external understanding or respect. An executive director can be the administrator in a small church or the operational head of a large arts organization. The public and some corporate directors often view managers and executive directors (because of the organizational history of nonprofit) as "hired hands," not as professionals who are able to manage all operational activities.

The president/CEO designation calls for a trusting relationship with the board based on mutual respect, drawing from the symbolism that he or she is the operating link between board and staff. It is a new type of partnership culture. However, a solid partnership does not allow the board to vacate its fiduciary and overview obligations. The board has moral and legal obligations to "trust but verify."

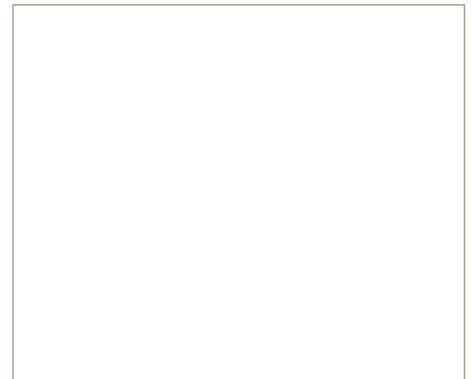
Following are some of the behaviors that signify a trusting partnership is in place:

The president/CEO:

- Has authority to initiate short-term loans from a bank for emergency funding. The board has established a limit on the amount to be borrowed.
- Sees himself/her as an equal partner in fundraising efforts.

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- Is confident about his/h management experiences and expertise, understanding



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that nobody does a job perfectly.

- Has good professional relationships with board members.
- Does not view the job as being in jeopardy.
- Feels comfortable in disagreeing with board members.
- Feels comfortable with the processes the board uses to have executive sessions without management present.
- Feels comfortable with a rigorous examination of CEO performance.

Board Members:

- View CEO as a peer who deserves respect, not seen as a board servant.
- Do not discuss the CEO's professional limitations outside of the boardroom.
- View the CEO as an effective staff leader.
- Look to the CEO to be have state-of-art knowledge and vision for the areas in which the mission has been defined.
- Expect the CEO to grow professorially and try to support that growth within the financial means of the organization.

While the trust the board has in its chief operating officer can't be described in exact quantitative terms, viewing it through the lens of a set of behaviors can give an idea of whether it is excellent, good or nonexistent.

* In many states a volunteers who carry the tile of president /CEO can accrue personal liabilities not incumbent on other board members.

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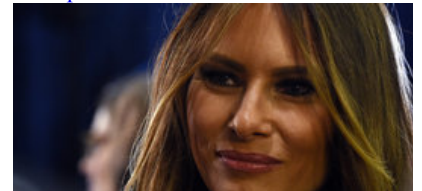
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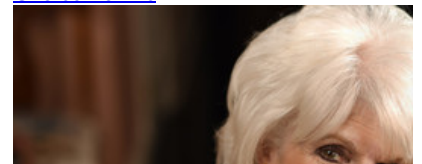
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