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## La Boutique Nationale des Huit Chapeaux et Quarante Femmes



### **L'Avocate Bulletin** **September 2021**

Typically, the L'Avocate responds to questions that partners have that are Constitutional or Policy related however, since there have been a few discussions pertaining to the Pouvoir (Executive Committee) and its actual responsibilities as it pertains to a non-profit, here are some guidelines you can review:

<sup>1</sup> The role of an executive committee, as of all committees, is to help the board accomplish its work in the most efficient way.

What is an executive committee?

As the name implies, an executive committee has special responsibilities and authorities above all committees. Usually, it can act on behalf of the full board. Its main purpose is to facilitate decision making between board meetings or in urgent and crisis circumstances.

What are the limits of its authority?

Often the role of an executive committee is defined by what it cannot do. To avoid delegating essential powers away from the full board, it should not

- amend bylaws
- elect or remove board members
- hire or fire the chief executive
- approve or change the budget
- make major structural decisions (add or eliminate programs, approve mergers or dissolve the corporation)

Who are the members?

It is a common practice to include the officers of the board as members of the executive committee. Usually, the board chair also chairs the committee meetings. Sizable boards often elect to add other representatives to this committee to ensure necessary diversity in decision making and to avoid concentrating too much power in the hands of a few. The size of the committee should stay relatively small in order to keep it a flexible and efficient tool for the board. The chief executive usually serves as an ex-officio member of this committee.

Special concerns:

An organization is well served by an executive committee when the committee facilitates the board's time management. However, to keep every board member active and responsible for their own participation, pay attention to the following concerns:

<sup>1</sup> <https://boardsource.org/resources/executive-committee/>

<sup>2</sup> <https://www.501c3.org/fiduciary-responsibility-of-nonprofit-board-members/>

- The role of the committee should be defined in the bylaws, not by the committee itself.
- The executive committee cannot replace the full board. It reports to and is accountable to the full board.
- Even though the committee may be granted special powers in the bylaws, the full board should always confirm decisions in its next meeting.
- The executive committee should not marginalize other board members. If the committee is perceived as an inner clique, outside members easily feel left out, resulting in poor morale.

<sup>2</sup> One of the primary responsibilities of any nonprofit board member is to maintain the financial integrity of the organization they serve. Board members act as trustees of the organization's assets and must exercise due diligence and oversight to ensure that the nonprofit is well-managed and that its financial status remains sound.

- What Is a Fiduciary?
  - Websters defines *fiduciary* as a **trustee** (noun), and as follows: involving trust, especially with regard to the relationship between a trustee and a beneficiary (adjective). In other words, it is a relationship where one party is legally accountable to the other to serve its interests before their own.
  - BoardSource says it this way:
    - Fiduciary duty requires board members to stay objective, unselfish, responsible, honest, trustworthy, and efficient. Board members, as stewards of public trust, must always act for the good of the organization, rather than for the benefit of themselves. They need to exercise reasonable care in all decision making, without placing the organization under unnecessary risk.
- Being a fiduciary obviously includes the financial aspects of a nonprofit. Each board member has a responsibility to ensure, to the best of their ability, that all funds are handled and accounted for in a transparent and compliant manner.

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