



2023

Best Practices for Incoming Executive Directors

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Introduction

Being an executive director (ED) is a balancing act. An ED needs to consider the big picture of an organization's mission and goals, while simultaneously managing a constant flow of small details. EDs need to balance the needs of the communities their organizations serve, the staff, the Board of Directors, and the organization's funders. The role is complex and multifaceted and a variety of skills, along with an ability to perform at a high level are important to being successful.

Each organization is different and will naturally designate specific responsibilities to its executive director that reflect those differences, however there are some key responsibilities that are common to the role and consistent across the sector.

This best practices handbook outlines some of the more common key responsibilities for executive directors of nonprofit organizations and aims to leave the reader with a clear understanding of the purpose of this position and what the role entails.

Key Responsibilities

Having a clear picture of what the executive director role entails is critical to being an effective leader within an organization. Knowing what an executive director's key responsibilities are will contribute to understanding how nonprofit organizations work and how the position can be used to maximize their impact.



01. Leadership

The executive director is responsible for leading the planning, organization, and direction of the organization's operations and programs. EDs manage an organization's human and financial resources; the smaller the organization, the more likely the ED will handle both operational and executive-level duties. It is important that the person in this role can clearly articulate the mission, vision, and values of the organization so that everyone under their direction is aligned in its strategic direction.



02. Board of Directors

The ED supports the recruitment and onboarding of new board members, and acts as a liaison between the board and the staff. They keep board members informed of the organization's progress and work with them to come up with strategies to solve issues that may arise while working to fulfill the organization's mandate. Typically, an ED will:

- Provide the board with updates on staff changes, budget and funding information, and general operations vis à vis the organization's mandate and funding obligations.
- Bring forward new ideas as well as concerns that need to be considered by the board.
- Plan and prepare the agenda and accompanying information for meetings in coordination with the board chairperson.



03. Representation

In most organizations, the executive director along with the President are the official spokespersons for the organization. Representation for an ED typically includes:

- Attending and/or hosting fundraisers.
- Attending and/or hosting program and project launches.
- Attending and/or hosting community events and activities.
- Speaking to the media.
- Meetings with stakeholders, government officials, and politicians.
- Public speaking.



04. Financial Management

The executive director is responsible for maintaining the financial wellbeing of the organization, its fiscal compliance, and for working alongside the board and staff to develop new funding applications, fundraising plans, and opportunities to grow and diversify resources. It is important for an ED to be able to read and understand the following financial documents:

- Budgets.
- Cash flows.
- Income statements.
- Balance sheets.



05. Relationship Development

Executive directors work with a variety of external stakeholders such as leaders from other nonprofits, the business community, funders, and different levels of government. It is critical for executive directors to develop and maintain relationships with external stakeholders across sectors in order to capitalize on opportunities to develop partnerships and work on long-term strategic goals.



06. Resources and Tools

The executive director is responsible for ensuring that the organization has the proper tools and policies in place along with the equipment staff and volunteers need to be successful working towards its mandate. This can help facilitate stability for the organization and the achievement of its deliverables.



07. Growth and Development

The executive director works with the board of directors to set the strategy to achieve outcomes towards the organization's mandate. The ED is responsible for implementing the strategy by ensuring the quality and effectiveness of the organization's projects and programs, staying informed of legislative, policy, and funding developments, and setting expectations for the overall culture of the organization and the work environment for staff.



08. Compliance

It is the executive director's responsibility to ensure that the organization is operating in compliance with all the laws and regulations (federally, provincially, municipally) that it falls under. Beyond legal compliance and meeting contractual obligations, organization's should strive to high ethical standards and have policies in place to that effect (*Conflict of Interest* for board members, *Code of Ethics* for staff and volunteers, etc.).

Keys to Success

Executive directors are an important part of a nonprofit organization's success and naturally, the role comes with a variety of expectations:

- For members of the board EDs are a critical link to the rest of the organization and they need the ED to be collaborative and transparent when providing them with information and updates.
- Staff members need the ED to be a good manager and effective leader.
- The external community expects the ED to be knowledgeable, compelling, and present.

What skills can help an ED meet these expectations? EDs differ just like the organizations they work for do and it's important to prioritize qualities that are a good fit for each team's dynamic and each organization's mandate—however there are some keys to success that are common for individuals in this role.



01. Excellent Communication Skills

A great executive director is a great communicator:

- They work alongside a wide variety of people with all kinds of different personalities.
- They speak on the organization's behalf at public events and to a variety of stakeholders.
- They maintain open lines of communication with board members, staff, and the external community (partners, stakeholders, government, etc.).

Being a strong communicator also means being a good listener. Successful executive directors know when to actively listen and when to speak up—they are well-informed and armed with facts when they do!



02. Experience in the Sector

The more nonprofit/community sector experience an executive director has, the more easily they can anticipate challenges and develop solutions for keeping their organizations on track.

A good understanding of how the sector is evolving is very helpful to developing strategies for accomplishing mandates, building new project and program ideas and taking advantage of new opportunities as they arise.

A lack of experience should not be looked upon negatively if an executive director has other desired skills and is willing to be trained in the areas where they are less adept.



03. Connected to the Community

An organization's executive director should accurately represent their organization and the community that it serves.

How well an executive director fits into an organization's existing culture and dynamic is critical to their success. An executive director that is well connected to the organization's team is more likely to get buy-in from both staff and stakeholders and less likely to have difficulty executing decisions.

A strong cultural fit and connections to the community the organization serves also make it easier for a new executive director to appropriate the role.

Important DATES

- **GST/PST**—frequency varies by organization (quarterly, bi-annually, annually)
- The **Registraire des Entreprises** must be updated after any changes in board members or executive director. Each organization must also make an annual declaration with a paid fee (timing varies).



<p style="text-align: center;">JANUARY</p> <ul style="list-style-type: none"> • Confirmation of spending is due for different projects (varies by org) • Salary projections for next fiscal year • Operating budget projections for next fiscal year • NPI applications due • Payroll remittances • Bank reconciliation for previous month 	<p style="text-align: center;">FEBRUARY</p> <ul style="list-style-type: none"> • Confirmation of spending is due for different projects (varies by org) • Reporting period for different projects (varies by org) • Payroll remittances • Bank reconciliation for previous month 	<p style="text-align: center;">MARCH</p> <ul style="list-style-type: none"> • Reporting period for different projects (varies by org) • Fiscal year ends • Audit preparation begins (auditors will provide a list of required documents) • Payroll remittances • Bank reconciliation for previous month
<p style="text-align: center;">APRIL</p> <ul style="list-style-type: none"> • Reporting period for different projects (varies by org) • AGM planning starts (varies by org) • Staff evaluations (varies by org) • Payroll remittances • Bank reconciliation for previous month 	<p style="text-align: center;">MAY</p> <ul style="list-style-type: none"> • Reporting period for different projects (varies by org) • AGM documentation prep <ul style="list-style-type: none"> ◦ Annual report & Financial statements • Summer student hiring starts • Payroll remittances • Bank reconciliation for previous month 	<p style="text-align: center;">JUNE</p> <ul style="list-style-type: none"> • AGMs are held (varies by org) • Most summer students begin working • Update Registraire des Entreprises after AGM • Payroll remittances • Bank reconciliation for previous month
<p style="text-align: center;">JULY</p> <ul style="list-style-type: none"> • Vacation period for staff in most organizations • PCH call for projects and program funding • Payroll remittances • Bank reconciliation for previous month 	<p style="text-align: center;">AUGUST</p> <ul style="list-style-type: none"> • Vacation period for staff in most organizations • Payroll remittances • Bank reconciliation for previous month 	<p style="text-align: center;">SEPTEMBER</p> <ul style="list-style-type: none"> • Reporting period for different projects (varies by org) • Some AGMs are held (varies by org) • Update Registraire des Entreprises after AGM • Payroll remittances • Bank reconciliation for previous month
<p style="text-align: center;">OCTOBER</p> <ul style="list-style-type: none"> • Reporting period for different projects (varies by org) • PCH program funding applications are due • Payroll remittances • Bank reconciliation for previous month 	<p style="text-align: center;">NOVEMBER</p> <ul style="list-style-type: none"> • PCH project funding applications are due • Payroll remittances • Bank reconciliation for previous month 	<p style="text-align: center;">DECEMBER</p> <ul style="list-style-type: none"> • Reminder that CHSSN NPI applications are due in January • Payroll remittances • Bank reconciliation for previous month

Incoming ED Tasks to Prioritize

Area of operation	Task	Timing
Legal requirements	<ul style="list-style-type: none"> • Update signatories for the organization as needed • Ensure all accounts are transferred (bank, CRA, RevQC, paid services, etc) 	<ul style="list-style-type: none"> • At the end of your probation period (usually 3 to 6 months)
Governance	<ul style="list-style-type: none"> • Acquire list of accounts, current projects & their funders, and important dates/activities (next 6 months) 	<ul style="list-style-type: none"> • As soon as you begin; at meetings with the board's executive committee (first 3 months)
Management	<ul style="list-style-type: none"> • Staff introductions • Familiarize yourself with/locate important file paths, org policies, passwords, accounts, and the operating budget 	<ul style="list-style-type: none"> • As soon as you begin • During the first month
Service delivery	<ul style="list-style-type: none"> • Work with staff to understand services and ensure continuity if need be 	<ul style="list-style-type: none"> • During the first month
Funding sustainability	<ul style="list-style-type: none"> • Introductions to funding advisors • Confirm reporting dates for current funding • Updating authorized signatures with each funder 	<ul style="list-style-type: none"> • As soon as you begin • During your probation period (first 3 months)
Stakeholder relations	<ul style="list-style-type: none"> • Introductions to organizational partners & stakeholders • Take on representation activities • Research & outreach to elected officials 	<ul style="list-style-type: none"> • During the first 3 months • As appropriate and/or necessary • During the first 3 months

Conclusion

Executive directors are critical factors in the lasting success of any nonprofit organizations. From organizational capacity development to financial management and representation, it is a role that holds a great amount of power and responsibility. Taking the time to fully understand the role's fundamental responsibilities, necessary skills, and best practices for maximizing impact will help an executive director get the most out of their position and maximize their impact.

As previously mentioned, the exact job description of a nonprofit executive director varies from organization to organization, this short guide has highlighted a few universal tasks and common expectations that anyone in this role should fulfill.

Mandates aside, nonprofit executive directors should strive to be outstanding leaders who pursue growth and collaborate with staff, board, and key stakeholders to achieve positive outcomes for the organization. Someone willing and able to face of adversity and who approaches challenges as opportunities can lead a nonprofit organization toward an impactful and sustainable future.

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