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## June 1, 2011: Early Separation of Power

It seems that, regardless of theory and tested best practices, nonprofits take many unique paths in their early development. Most times it seems, the organization starts from the passion and energy contributed by a would-be executive director, who must then work to recruit a board that will become his/her boss. Less frequently, the founder starts on the board side, playing operational roles along with board colleagues, until funds can be raised and designated to establish a professional staff.

In either case, organizations that are effective in raising funds and providing services quickly arrive at the point where one group can't do it all: can't make policy and provide oversight while simultaneously conducting operations and making day-to-day tactical decisions. While it may not be illegal (disclaimer: I am not an attorney or providing a legal opinion here!) for a board chair/president to also serve as the CEO/ED in a U.S. nonprofit, the separation of oversight and operational functions seems to avoid most of the substantial abuses of power that have so often occurred in large commercial organizations where the board leader picks his/her own peers, sets his/her own performance and pay plan, and guides oversight as well as operations.

The best course of action that I continue to see in, no matter how you got the organization started, it is wise to move to the formal split of directing and staff functions as quickly as feasible. At the very least, it is prudent to plan/design for the function of these two bodies as early as possible and adopt a plan to get to that place. The plan may change based upon many factors (such as funding availability, personalities involved, conditions of outside funders and service delivery partners) but the benefits, especially safeguards, of moving to the separation of powers model as quickly as possible is the path that best leads to the well-being of both the organization and the community it serves.