Governance Versus Management Guide

A practical guide for boards, executives, and leadership teams

The board governs. Management leads operations. Both are responsible for mission success, but they contribute in different ways.

The Core Difference

Area	Board / Governance	Executive / Management
Mission and direction	Approves mission, vision, major priorities, and expected outcomes.	Recommends strategy and translates approved direction into operating plans.
Policy	Adopts governing policies and monitors compliance.	Develops procedures and implements policies in daily operations.
Finance	Approves the budget, monitors financial condition, and ensures responsible stewardship.	Prepares the budget, manages spending, maintains records, and provides accurate reports.
People	Selects, supports, evaluates, and holds the chief executive accountable.	Hires, supervises, develops, and evaluates staff.
Programs and services	Defines expected outcomes and monitors performance.	Designs, delivers, and improves programs and services.
Risk and compliance	Ensures major risks are identified and appropriate oversight exists.	Manages day-to-day risk, controls, compliance activities, and corrective action.
Community accountability	Represents the mission and remains accountable to stakeholders.	Maintains relationships, communications, and service delivery with stakeholders.

Questions the Board Should Ask

- What result should the organization achieve?
- What evidence shows progress or decline?
- What financial, strategic, compliance, or mission risk requires attention?
- Is management's response reasonable and adequately resourced?
- What decision, policy, or monitoring action belongs to the board?

Questions Management Should Answer

- What is happening and why?
- What does the data show?
- What has changed since the last report?
- What action is management taking?
- What resources are required?
- What risks remain unresolved?
- What does the board need to decide or monitor?

Common Boundary Problems

Item	Yes	No	Needs Attention	Notes
Board members direct individual employees.	☐	☐	☐	
Management withholds significant information from the board.	☐	☐	☐	
The board approves routine purchases or operating decisions.	☐	☐	☐	
Management makes policy-level decisions without board authority.	☐	☐	☐	
Committees perform staff work instead of oversight.	☐	☐	☐	
The board receives reports without clear outcomes, trends, risks, or recommended action.	☐	☐	☐	

A Practical Decision Test

1. Does the issue affect mission, policy, fiduciary duty, strategy, executive accountability, or major risk? If yes, the board likely has a governance role.
2. Is the issue about how approved policy, budget, or strategy will be carried out day to day? If yes, management likely has authority.
3. Does the board need to decide, monitor, or request evidence rather than perform the work? Keep the board at the governance level.
4. Would direct board action undermine the executive's assigned authority or accountability? If yes, the board should step back.

Board–Executive Working Agreement

Boards and executives should agree on reporting expectations, decision authority, communication channels, financial thresholds, emergency procedures, committee roles, and how disagreements will be addressed. These expectations should be documented and reviewed annually.