

The ABCs of Executive Sessions

What is an Executive Session?

Nonprofit Boards meet regularly to conduct the business of the organization. Generally, board members, the Executive Director, some senior staff, and sometimes outside experts attend to bring complete information and a variety of perspectives to the discussion. Meeting minutes are kept as a permanent record of the discussion, those in attendance and any formal votes taken. These minutes are often shared with all board members, staff, and sometimes other interested parties.

There are times, though, that the board may wish to discuss a matter with more privacy and without a formal record of the discussion in the minutes – and that’s when an Executive Session is called.

Possible situations for which a board may call an Executive Session:

- ✓ To strengthen the relationships among board members by creating time for more frank and open discussions.
- ✓ To demonstrate its independence from the CEO and serve as a check-and-balance, especially in areas of finance or CEO Compensation.
- ✓ A need for confidentiality with sensitive issues such as litigation, discussion of a merger or dissolution, or a risky strategic decision.

Who attends an Executive Session?

The full board is always invited to attend an Executive Session. The CEO, senior staff or outsiders may be invited in for all or part of the session but should not automatically expect to attend unless specifically invited.

Here are some situations where the board and CEO might meet for a private discussion.

- ✓ Discussing possible or pending litigation



- ✓ Strategizing about future business transactions
- ✓ Managing a crisis, especially one that has ended up in the media
- ✓ Reviewing possible improper activities by staff, such as embezzlement or sexual harassment
- ✓ Having “What keeps you up at night?” conversations as a way to end a board meeting with a less structured discussion about the things most on their minds

Here are some situations where the board may decide to meet without the CEO.

- ✓ Reviewing/discussing CEO job performance
- ✓ Conducting CEO compensation adjustments
- ✓ Reviewing the audit findings with or without the Auditor
- ✓ Succession Planning for the CEO
- ✓ Discussing the dynamics/culture of the board itself, or a specific instance of board behavior

What’s the process for going into Executive Session?

Calling for the Session: The Board can move into Executive Session in several ways. The Board Chair may announce that the meeting is moving into Executive Session, or a board member may make a motion to move into Executive Session. The authority to do this is often spelled out in an organization’s bylaws and the motion may require a majority or super majority to move forward. Generally only members of the board are entitled to attend but may invite others to join them as they see fit.

Discussing the issue: The Board Chair should facilitate the process during the Executive Session and assist with keeping the conversation open to hearing a diversity of opinions and sharing factual information. For issues that have the potential to move into litigation, many boards will ask their attorney to be present.

Documenting the Executive Session: If the Executive Session was more of a discussion without any formal votes, minutes may not be necessary. If, however, the session was complicated or controversial, notes of the meeting may be helpful. Keep in mind, only those who attended should



receive notes from this meeting. Additionally, the notes should not be included with the board minutes. The Board minutes should, however, reflect the following:

- ✓ Purpose for moving into Executive Session (ex. “To discuss the recent audit”)
- ✓ Time the Executive Session began and ended
- ✓ Any formal decisions or votes that occurred during the session.

Communicating with the CEO: For Executive Sessions that don’t include the CEO, be sure to de-brief him/her right away. Unless the CEO knows the exact nature of the reason for the Executive Session, it would be hard not to imagine the worst.

Additional Tips for Executive Sessions

- ✓ Don’t overuse them. An Executive Session should be held to deal with a specific subject, without wandering off into other issues. Keep the discussion crisp and focused.
- ✓ Make sure you have all the facts. It can be tempting for Executive Sessions to morph into speculation and innuendo, especially when it comes to personnel matters. If the board does not have all the facts it needs at the time, use the Executive Session to determine what else the board needs to know and how to obtain that information before making a decision.
- ✓ Be as transparent as is possible about the reasons for the Executive Session. If you’re able to diffuse any tension around the use of the session, do it.
- ✓ Try using Executive Sessions to build board culture. Creating a private space for discussion on a specific topic may encourage board members to be more frank than they would in a public meeting. Some organizations schedule them either before or after every board meeting, simply to build in the option for an “off the record” conversation.

