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Building Effective Nonprofit Boards

Formerly the National Center for Nonprofit Boards

EXECUTIVE SESSIONS: HOW TO USE THEM REGULARLY AND WISELY

BoardSource wishes to thank Gregg Behr, The Grable Foundation; Marc L. Fleischaker, Arent Fox; and Frederick T. Miller, The Chatham Group, Inc., for sharing their professional insights and expertise on this document.

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WHAT ARE EXECUTIVE SESSIONS?

Nonprofit board meetings are convened for the board to transact business and address important organizational issues with the chief executive and, often, senior staff. While many nonprofit boards choose to conduct their meetings in private, some organizations are required to operate in the public arena.[1] For all boards, however, specific instances warrant that some portion of the meeting be conducted in *executive session*.

An executive session — sometimes called a *closed meeting* or an *in camera session* — is a useful tool for protecting and advancing the best interests of an organization. Executive sessions provide a venue for handling issues that are best discussed in private, for fostering robust discourse, and for strengthening trust and communication. Distinguished by their purpose and participants, executive sessions serve three core functions: (1) they assure confidentiality, (2) they create a mechanism for board independence and oversight, and (3) they enhance relationships among board members and with the chief executive.

By the board and for the board, executive sessions enable the board to manage itself. They create an appropriate forum for board members to talk openly about topics that warrant special treatment. In effect, executive sessions are a kind of special meeting-within-a-meeting. Executive sessions may take place before, in the middle, or at the end of a regular board meeting. They are, by definition, exclusive to board members, but others, such as the chief executive or professional advisors, may be invited to join for part or all of the session.

The notion of a private conversation for board members may seem contrary to the ethos of transparency expected of nonprofit organizations and to the development of a constructive partnership between the chief executive and the board. However, executive sessions are an effective mechanism for boards of all organizations to deal with certain kinds of issues, provided that they are called for the right reasons and handled appropriately. This BoardSource white paper offers guidance on who, what, when, why, and how to use executive sessions.

WHY ARE EXECUTIVE SESSIONS NEEDED?

According to the *Nonprofit Governance Index 2007*[2], 74 percent of chief executives surveyed report that their boards met in executive session within the last 12 months, and nonprofits with annual budgets of $5 million or more are more likely to use executive sessions. The most common reasons for these sessions include executive performance and/or compensation review, personnel issues, and peer-to-peer board discussions. While the rationale for an executive session varies depending on the organization's

AN EXECUTIVE SESSION AT EVERY MEETING

"It is done at each meeting to provide an opportunity for the executive and board to discuss issues and concerns without staff. The board meets first with the CEO and then without CEO at each meeting. The meeting without CEO provides a peer-to-peer discussion opportunity."

~ Chief Executive (*BoardSource Nonprofit Governance Index 2007*)

[1] Some nonprofit organizations are subject to sunshine, or open meeting, laws that define when and how executive sessions can be used. For more information, see page 8.

[2] In June 2007, BoardSource conducted a national survey of nonprofit governance practices. Responses from 1,126 chief executives and 1,026 board members are presented in the *Nonprofit Governance Index 2007*, available online at http://www.boardsource.org/governance.

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culture and circumstances, certain issues require more candid, confidential conversations and, consequently, a more limited audience (See the exhibit below).

First, the board needs time alone to strengthen relationships and communication among board members and with the chief executive. For example, board members may be reluctant to challenge the chief executive in front of staff for fear of undermining his or her authority. In other instances, board members may wish to discuss sensitive topics like succession planning, senior staff performance, or executive compensation. Likewise, the chief executive may want to discuss future retirement plans without causing consternation among staff.

Second, board members need an opportunity to get to know and trust each other, personally and collectively. They need to be able to speak freely to air concerns and explore all aspects of issues. Executive sessions afford the board an opportunity to raise warning flags, discuss time-sensitive opportunities that can't yet be made public, and allow the board to explore different courses of action. Some issues involve the board itself, such as board performance or individual member participation. Other issues might warrant further board discussion with the chief executive, such as negative community reaction to a recent decision.

Third, as a governing body, the board needs to demonstrate and exercise its independence from the chief executive. For example, a nonprofit board serves as a check-and-balance when accepting the financial audit and determining chief executive compensation. These oversight activities require the board to make decisions that are not controlled by the chief executive.

EXHIBIT: BASIC GUIDELINES FOR EXECUTIVE SESSIONS

	Board With Chief Executive	**Board Alone**
Rationale	• To maintain confidentiality required by law and further the organization's interests • To discuss highly sensitive business issues in private • To foster a more constructive partnership between the board and chief executive • To build capacity for robust discussion	• To create a forum that is not unduly influenced by the chief executive • To encourage more open communication among the board • To discuss issues related to the way the board operates • To address issues related to the chief executive • To build capacity for robust discussion
Topics	• Legal issues • Major strategic and business issues • Crisis management • Roles, responsibilities, and expectations of the board and chief executive	• Audit • Chief executive performance • Chief executive compensation • Succession planning • Legal issues involving the chief executive • Board practices, behavior, and performance
Possible Invitees	• Senior staff • Professional advisors	• Professional advisors
Frequency	• At the start or end of regular meetings • As needed, e.g., litigation	• At the start or end of regular meetings • As needed, e.g., for audit

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Fourth, the board has a responsibility to maintain confidentiality to protect the organization. The law allows boards to handle certain situations in a restricted setting. For example, if an organization has been sued, the board, chief executive, and legal counsel may meet in executive session to decide whether to settle the case and the terms of the settlement. Sound business sense may also require that key strategic decisions be discussed privately. For example, if an organization is considering a merger, the board, chief executive, and chief financial officer may need to consider the pros and cons before discussing alternative courses of action with various stakeholders.

CAUSE FOR CONFUSION:
EXECUTIVE COMMITTEE VS. EXECUTIVE SESSION

An *executive session* is a special closed meeting of the board. An *executive committee* is a special committee of the board whose composition and purpose are defined in an organization's bylaws. When an executive committee meets, it is not called an executive session. Many, but not all, boards have executive committees. They are often composed of the officers, chief executive, and perhaps committee chairs or other board members. Some executive committees meet only in emergencies. Others meet more regularly and are charged with handling business between regular board meetings. For more information, refer to *Executive Committee* by Mark Light (BoardSource, 2004).

WHO PARTICIPATES IN EXECUTIVE SESSIONS?

Participants in board meetings vary from topic to topic, meeting to meeting, and organization to organization. In addition to board members and the chief executive, board meeting participants may include senior staff, constituents, professional advisors, and sometimes interested members of the community. United by an interest in the organization, these individuals play different roles — decision makers, experts, commentators, guests, and observers.

During an executive session, the board room looks different. The full board will almost always be there, but the chief executive may participate for only a portion of the session. Outside advisors (e.g., lawyers, auditors, consultants) may be invited to issue findings or provide professional guidance. On a very limited basis, select senior staff members (e.g., chief financial officer, general counsel, development director) may be included to present a report or provide their perspective, or they may be excluded altogether. Deciding whom to include and when should be determined by the purpose of the session, bearing in mind that an individual can be invited to join for a portion of the discussion and then excused at the appropriate time.

WHAT IS APPROPRIATE TO DISCUSS DURING EXECUTIVE SESSIONS?

Board meeting agenda items serve different purposes — from team building and information sharing to deliberation and decision making. The particular items on the docket shape who needs to attend the meeting and its degree of openness. When planning executive sessions, the board chair and chief executive should specify the timing, purpose and topics, and attendees.

EXECUTIVE SESSIONS <u>WITH</u> THE CHIEF EXECUTIVE

Executive sessions with the chief executive may be essential to advancing the organization's business interests and to cultivating a constructive partnership between the board and the chief executive. Many operational issues that require confidentiality may also require the presence of

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the chief executive and sometimes others to enable an informed conversation. Common issues for executive sessions with the chief executive include

- **KPAWN Sessions.** To support the chief executive, many boards have adopted KPAWN sessions to discuss what **K**eeps the **P**resident **AW**ake at **N**ight. These executive sessions, with just the board and chief executive, create an informal setting that is "off the record." They are intended not for taking action, but rather for thinking together. For example, they may be used to take the board's temperature on an industry issue or to identify potential operational problems (e.g., high staff turnover). Because chief executives do not have true peers within an organization, KPAWN sessions are a unique forum for meeting with the board without other staff or outsiders present.

CASE IN POINT: DEFINING ROLES

The executive director and board chair of a local organization met monthly for breakfast. These informal conversations, which covered a range of strategic and operational issues, helped them work as a team in leading the organization. Realizing that these informal conversations helped the board chair focus on strategic matters and become more engaged in the organization's work, the executive director suggested they use executive sessions with the full board as a way to get all board members similarly committed to their cause and engaged in their work.

The executive director had always considered the board as his boss. But, he found it lonely at the top of the organizational chart and wanted a group of peer executives for brainstorming. The board already met twice a year in executive sessions for the financial audit and for executive performance review and compensation. He and the board had great confidence in each other. By suggesting the board meet in executive session without him, he felt he would inspire even greater confidence, commitment, and performance from the board.

- **Alleged Illegal or Improper Activities.** The Sarbanes-Oxley Act has drawn attention to the importance of whistleblower policies and protection for employees who report suspected illegal or unethical activities (e.g., embezzlement, sexual harassment, discrimination). If such issues are raised, the board may need to meet in executive session to ensure appropriate discussion and confidentiality. If the chief executive is implicated, obviously, he or she should be excluded from the executive session.

- **Litigation.** We live in a litigious society, and nonprofits are not immune from lawsuits. The board needs to be apprised of potential or actual litigation against the organization. Depending on the nature and stage of the litigation, the board may meet in executive session to discuss progress, decisions, and repercussions resulting from any lawsuits. Often, the organization's legal counsel (internal or outside) and sometimes chief financial officer may also be included in executive sessions focused on litigation.

- **Major Business Transactions.** Nonprofits, like all enterprises, need to be able to strategize, plan, and negotiate business deals without divulging inside information. Certain opportunities — from real estate deals (e.g., purchasing a new building) to operational transitions (e.g., undertaking a strategic alliance) to organizational failures (e.g., filing for bankruptcy) — require frank discussions about proprietary matters. Executive sessions emphasize the need

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for confidentiality and allow the board to explore the situation without prematurely revealing information. Key staff and professional advisors may be included in these executive sessions.

- **Crisis Management.** When facing a crisis — be it a natural disaster or a scandal — the board may need to meet with the chief executive in private to discuss the situation and evaluate the consequences of various courses of action. To avoid creating unnecessary tension, the board needs to be away from the eyes and ears of employees and other constituents who may not be pleased with the trade-offs under consideration. Under these difficult circumstances, an executive session helps minimize unnecessary concern by limiting the number of people involved. For planning purposes, key staff and outside advisors may also be included in these executive sessions.

> **CASE IN POINT: LESSONS LEARNED AMONG BUSINESS LEADERS**
>
> The board of a national, federated organization was wrestling with protecting its brand. Local chapters, despite a common mission and similar programs, operated with widely divergent definitions of quality, sustainability, and impact. A few, as is often the case, ended up on the front page of their local papers with questionable business practices. The chief executive turned to the board, which included quite a few captains of industry, for guidance and insight.
>
> Thanks to a pre-existing culture of openness and the privacy afforded by an executive session — without other staff present — the nonprofit chief executive was able to facilitate a dialogue about the role of headquarters in managing far-flung franchises. Corporate board members freely shared similar problems, attempted fixes, and working solutions from their firsthand professional experience. In the end, not only did the federated organization tap into a wealth of knowledge, but board members learned valuable leadership lessons from each other.

EXECUTIVE SESSIONS WITHOUT THE CHIEF EXECUTIVE

Just as it is important for the board and chief executive to tackle critical organizational situations together, the board also needs time to focus on its governance duties without any staff present. Some of this has to do with the board's oversight function, and some has to do with the board's need to take responsibility for itself and to function as a cohesive team. Understanding the value of executive sessions and developing routine procedures for using them can help alleviate a chief executive's anxiety. A confident chief executive sends a powerful message of trust to the board and staff when he or she regularly and voluntarily steps out of the boardroom.

Executive sessions without the chief executive are essential for strengthening board oversight and building board capacity for robust discussion. Common issues that necessitate the board meeting in executive session without the chief executive, regardless of whether he or she is a voting member of the board, or any other staff present include

- **Meeting with the Auditor.** As part of its fiduciary responsibilities, a nonprofit board is responsible for the financial audit. The auditors should be selected by and report to the board, and the board should review and accept the financial audit. At some point in the board's review of the financial audit, the board should meet in an executive session with the auditors without any staff present. This allows the board — directly or via a designated committee — to receive unfiltered feedback about the organization's financial health and practices, as well as its finance staff. It also allows the board to have a less inhibited discussion than might otherwise occur with the chief executive or other staff present.

- **Chief Executive Performance.** Nonprofit boards are responsible for managing the chief executive. This is a difficult, sometimes awkward task to carry out collectively, so the board needs to find appropriate venues for this important duty. An executive session allows board members to share their individual perspectives and to provide input to the board committee or officer assigned to convey the board's message. These discussions are best held after information has been gathered in advance using an appropriate performance review tool.

- **Chief Executive Compensation.** As with the annual performance review, executive compensation also requires a highly confidential conversation. An executive session is an essential requirement to ensure that the full board understands the compensation philosophy and approves the details of the complete compensation package. It is common, perfectly appropriate, and highly recommended[3] that the board discuss the specifics of the arrangement in private before the information is disclosed publicly through the IRS Form 990.

CASE IN POINT: A SELF-CORRECTING BOARD

At an association's annual retreat, the board found itself fragmenting between the larger and the smaller institutions. The chief executive struggled to mediate a conversation about how changes in the industry should drive its programs. Board members continued to act as a focus group, expressing concerns about their individual institutions' needs rather than the future of the association. At a break, one of the board members suggested that the board dismiss all staff, including the chief executive, from the conversation for 45 minutes.

During the executive session, board members acknowledged that they felt pressured to stand their ground in front of staff for fear of losing member benefits and that they too readily dismissed the opinions of some board members in favor of others. A candid conversation touched upon the association's mission, the common values that motivated board members, and the chief executive's powerful presence.

Before returning to the meeting, the board chair summarized the gist of the conversation for the chief executive. When the retreat resumed, board members rearranged themselves so that the larger institutions were no longer seated opposite the smaller institutions. The strategic planning conversation resumed, with a more intentional focus on the needs of different constituents and the relationship between programs.

- **Executive Succession Planning.** Nonprofit boards cannot delegate responsibility for hiring the chief executive, and one often-overlooked step in this process is succession planning. Just as the board needs to pay attention to its current chief executive, it also needs to pay attention to future leadership needs. Some succession planning conversations should take place between the board and chief executive, and others need to occur exclusively among board members. This helps the board not only plan ahead, but also be better prepared should the unexpected

[3] Intermediate sanctions are designed to prevent excess benefit transactions — including excessive executive compensation — in 501(c)(3) and 501(c)(4) organizations. These IRS regulations include a "safe harbor" provision for nonprofits that meet three tests: (1) compensation must be based on data from comparable organizations, (2) an authorized body, whose members do not have any conflicts of interest, must approve the transaction in advance, and (3) the authorized body must document its decision. For more information, refer to *Dollars and Sense: The Nonprofit Board's Guide to Determining Executive Compensation* by Brian H. Vogel and Charles W. Quatt (BoardSource, 2005).

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- **Board Self-Management.** Nonprofit boards serve as a leadership team. To function better, collectively, team members need time to assess and adjust their own performance — to pay attention to their behavior, to bolster relationships — away from the chief executive's observation and direction. Executive sessions allow board members to relate to each other as peers and partners. They can be a productive way to deal with difficult and delicate board conversations. For example, they can be used to identify board and staff members who go beyond the call of duty, encourage quieter board members to participate more fully, ease into a potentially divisive discussion, and correct unproductive or inappropriate board meeting behavior. These kinds of executive sessions facilitate greater candor among board members and strengthen the board's independence from the chief executive.

PRACTICE TIP: THE BOARD HUDDLE

A regular debriefing at the end of each board meeting, without the chief executive, brings conversations that would otherwise happen in the parking lot into a collective forum. It gives board members a place for both praise and probing. Not only can this bring the board together, but it also reserves a moment for the board to identify potential problems without causing undue concern. However, chief executives often get nervous — understandably — when the board meets without them. To assuage this anxiety, try these five tips to build an atmosphere of trust between the board and chief executive:

1. Make executive sessions a regular part of your board meeting agenda. Hold one every time the board meets. This diffuses the notion that executive sessions are convened only to deal with matters involving the chief executive or in times of crisis.
2. Set the agenda for the executive session in conversations between the board chair and the chief executive prior to the board meeting.
3. Invite the chief executive to join part of the executive session for a private conversation with the board, unless the business at hand makes that inappropriate. This sends a clear message that the relationship between the board and the chief executive is paramount.
4. Keep the conversation in the executive session on topic. Do not let it devolve into gossip. It is the board chair's responsibility to guide the discussion to a productive conclusion.
5. Summarize the executive session for the chief executive as soon as possible. The board chair should communicate the gist of the conversation, especially those issues that reflect the board's views of the chief executive's or the organization's performance, to the chief executive.

WHAT ARE THE LEGAL BOUNDARIES AROUND EXECUTIVE SESSIONS?

Nonprofit organizations must follow federal and state statutes that regulate businesses and their transactions with individuals. These laws are designed to protect constituents, clients, staff, and organizations. Nonprofit leaders need to be familiar with and abide by the applicable laws and regulations. For instance, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that hospitals keep patients' medical records private. Boards should rarely, if ever, be involved in such private client matters, but if such details surface during a board meeting or are linked to a board issue, they must be handled appropriately and all those present must agree not to disclose this information.

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In addition, some organizational business may legitimately be kept confidential. For example, certain discussions with legal counsel are subject to attorney-client privilege or some donors may wish to remain anonymous to the public. An executive session gives the board a private setting for these kinds of confidential discussions.

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SUNSHINE IN THE BOARDROOM

Some organizations, such as those receiving certain kinds of government funding, are subject to sunshine laws that require open meetings and define the use of executive sessions. Most sunshine laws clarify which records do not need to be disclosed (e.g., litigation, disciplinary matters, job interviews) and which do (e.g., budget discussions, salaries of public officials).

While state sunshine laws[4] vary considerably in their specificity, they generally define what constitutes an executive session, how and whom to notify of their scheduling, and what can be handled in closed session. Nonprofit leaders need to be familiar with these legal limits to know when an executive session is allowed and the proper procedure for handling it. For example, the board may need to cite the state sunshine law, identify the issue that warrants a closed session, and reference the closed session in the board meeting minutes.

CASE IN POINT: GOVERNING IN THE SUNSHINE

By law, a well-established cultural organization was required to hold public board meetings and announce the agenda in advance. Periodically, a few members of the community attended these meetings, but they did not often make comments or suggestions. At one meeting, the board was considering a significant change in strategic direction that would affect many of its beloved programs. In order to have a substantive discussion of the proposal, the board needed to delve into proprietary organizational matters, including financial performance and personnel implications.

When the board reached this item on the agenda, it first invited comments from the public because so many people had expressed interest in the issue. Then, having previously consulted its attorney, the board went into executive session. After a complete discussion of the proposal and its ramifications, the board resumed its meeting in public. The board chair explained why the meeting had been adjourned to executive session, summarized the highlights of the conversation that had taken place during the executive session, and called for a vote on the proposal. In front of the public audience, the board voted to approve the proposed change.

This process ensured that the full board was able to discuss a critical business decision while complying with the legal requirement for open meetings. At the same time, it also ensured that the public was able to voice its views on the matter, understand the process used to consider the issues, and to hear the votes of individual board members.

HOW SHOULD EXECUTIVE SESSIONS BE HANDLED?

The following procedures provide step-by-step guidance for facilitating executive sessions:

1. **Policies.** Begin by establishing a board policy that articulates the process for calling and conducting an executive session. Establish guidelines for the routine use of executive sessions and, if necessary, identify issues that are acceptable for closed meetings. Use the following sample policies, which represent two different approaches to executive sessions, as starting points for drafting a policy appropriate to your organization's needs and culture.

   - Sample Policy 1. The board of directors will hold an executive session, without the chief executive, in conjunction with each regularly scheduled board meeting.

   - Sample Policy 2. An executive session of the board may be called by the chair under the following circumstances: (a) on the advice of counsel, (b) to discuss current pending legal matters, (c) to consult with the auditors and compensation consultants, (d) to acquire or dispose of property, (e) to discuss or act on personnel issues, or (f) to address such other

[4] The Reporters Committee for Freedom of the Press maintains a helpful guide to state sunshine laws at www.rcfp.org/ogg/index.php. Because these laws can be difficult to interpret, it is best to consult with legal counsel about the circumstances under which an executive session may be called for organizations subject to such laws.

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matters as the board deems appropriate. At the option of the chair, or upon majority vote of the directors, an executive session of the board may be called.

While in executive session, only board members and individuals invited by the chair may be present. At the option of the chair, the chief executive may be excused. Board members may discuss the business conducted in an executive session only with other board members including or not including the chief executive as directed by the chair, persons present in the executive session by invitation of the chair, and others upon advice of counsel. Those present will be reminded that the executive session deliberations and minutes are confidential.

2. **Calling an Executive Session**. Most executive sessions are planned by the board chair and chief executive in advance and listed in the agenda itself. But, choosing the right moment to call an *unplanned* executive session often demands tact and courage. Usually the chair has the authority to call an executive session. Should a board member request an executive session, some boards require that a majority or super majority confirm the decision. Under difficult circumstances, the chair needs to use discretion when announcing the purpose of the executive session.

3. **Attendance**. The meeting agenda should identify executive session participants, including any non-board members. If confidentiality is required, even if everyone present is a board member, the board should still go into executive session. Some nonprofits choose to have legal counsel present for all board meetings, including executive sessions.

WHAT DOES ROBERT SAY?

Robert's Rules of Order define an executive session as a meeting or portion of a meeting whose proceedings are secret. Only members of the governing body are *entitled* to attend, but they may invite others to stay *at the pleasure of the board*. A motion is required to go into executive session, and a majority must approve it. Those present must maintain the confidentiality of the discussion, and anyone who violates that confidentiality is subject to disciplinary action. (Emphasis added.)

4. **Subject**. The chair should facilitate the conversation so that the issue at hand gets addressed during the executive session. When the purpose of the executive session has been accomplished, the regular board meeting resumes.

5. **Discussion**. Executive sessions should be for discussion, negotiation, and in some instances decision making. For example, the board chair may use the closed doors to take a straw poll, or the chief executive may want to gauge the board's appetite for a new initiative. After discussion, should the board wish to take action, it can be done back in the board meeting. Other formal decisions, such as determining executive compensation or settling contract disputes, are best decided in an executive session and ratified back in the board meeting.

6. **Informing the Chief Executive.** After an executive session without the chief executive, the chair should summarize the substance of the executive session. This immediate follow-up helps eliminate unnecessary worry by the chief executive about these meetings.

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7. **Documentation**.
   - Minutes of the Executive Session. If the session is an informal discussion, detailed minutes may not be necessary, but the general substance of the executive session itself should be noted. If the session contributed to a board decision about a difficult or important issue, minutes may be necessary. Some organizations have legal counsel maintain minutes of all executive sessions. Executive session minutes should be shared only with participants and should not be attached to the regular board meeting minutes. Any confidential documents distributed for an executive session should be clearly marked as confidential and maintained by the chief executive and/or the board chair.

   - Board Meeting Minutes. The regular board meeting minutes should indicate when the board went into an executive session, what the primary reason was, any formal decisions that were made in executive session, and when the board came out of executive session.

CASE IN POINT: WHAT WASN'T SAID IN THE BOARDROOM

The incoming board chair of a private foundation contemplated the issues facing the organization, its grantees, and the community they served. She feared that current board meetings did not allow the board to get granular enough. While efficient and productive, meetings were driven by a carefully scripted agenda. Board members asked questions and offered observations, but all from a polite and respectful distance. She worried about what was *not* being said.

While the board/staff relationship was strong, this trustee felt that periodic executive sessions could make it stronger. The board valued its time with senior staff and greatly appreciated their knowledge of program areas and the community. Both board and staff found it helpful to ask questions of each other. This gave board members a chance to hear staff present the logic behind recommendations and staff a chance to hear how board members analyzed recommendations. But, at times, trustees were hesitant to voice ideas that might make a staff member feel unduly challenged or criticized.

Board and staff agreed to experiment with executive sessions. After using them periodically, board members became more comfortable with the very candid discussions that ensued. Over time, this ability to have more candid discussions seeped into the regular sessions with staff. Board members and staff agree that executive sessions created a space for the board to have real discussions, which helped enhance overall board performance.

HOW CAN WE AVOID MISUSING EXECUTIVE SESSIONS?

As with many practices that are not fully understood, executive sessions can cause consternation. And, as with practices that are not completely open, they have the potential for misinterpretation and misuse. When not well managed, executive sessions can fuel problems, ranging from a lack of transparency and disregard for public accountability to inappropriate board member behavior and distrust between board and staff members. But, they need not.

Executive sessions are one of many valuable tools nonprofit boards can use to strengthen governance and organizational leadership. They create an environment for important conversations among board members, sometimes alone and sometimes with the chief executive. Time spent in direct, unencumbered conversations creates stronger relationships among nonprofit leaders that can help them weather ups and downs together. A thoughtful, attentive, and even-handed board chair can be critical in managing difficult conversations.

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The following guidelines can help ensure that executive sessions become a productive, rather than a dubious, practice:

- **Facilitate executive sessions judiciously.** Executive sessions exist for particular purposes that the board should clearly define and follow. When in executive session, stick to the issue at hand — grounded in facts and circumstances, not gossip or speculation. Do not let executive sessions be used to scheme behind the chief executive's back, fuel rumors, isolate dissenting board members, or manipulate the results of a vote.

- **Create a safe haven.** Board service often requires uncompromising, independent decision making. Use an executive session to create a forum for thoughtful discussion, not to hide behind a cloak of secrecy. In the absence of staff, encourage board members to feel more comfortable asking questions, expressing doubts, and challenging assumptions. These private discussions can help nurture a robust discussion style that can spill over into the boardroom.

- **Communicate, communicate, communicate.** A closed door discussion provides privacy when a board needs to handle delicate matters, but eventually the message needs to be shared. Tell those being excused when, why, and how the board uses executive sessions. The board chair should clearly state when the executive session begins and concludes. After an executive session, share the results with those who need to know.

- **Take action in meetings.** The majority of board business belongs in the standard board meeting, regardless of the difficulty of reaching the ultimate decision. Use executive sessions for frank open conversations but, when possible, return officially to the board meeting to take formal votes. Remember, final board decisions are recorded in the minutes and shared with staff, and the results often become public knowledge when the organization takes action.

A board must know how to address the right issues in the right setting with the right individuals present. A savvy board manages itself and relationships thoughtfully. It distinguishes between inappropriate secrecy and legitimate privacy. Relying on good judgment, it is able to take advantage of the seclusion an executive session provides when private communication is necessary. At the same time, knowing how not to abuse executive sessions, a savvy board manages to maintain trust and confidence in the organization's integrity and processes.

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