Evaluating Your Chief Executive

A Practical Tip Sheet for Nonprofit Boards

> *Evaluating the Chief Executive is one of the board's most important responsibilities. A consistent, well-structured evaluation process strengthens the CEO–board relationship, clarifies expectations, and ensures the organization is well-led.*

Why CEO Evaluation Matters

Under Ohio Revised Code §1702.30(A), *"all of the authority of a corporation shall be exercised by or under the direction of its directors."* The board exercises that authority over personnel through one person — the Chief Executive. This makes the CEO evaluation process one of the highest-leverage governance activities a board can undertake.

The Eight Steps of Nonprofit CEO Evaluation

1	**Appoint a Board Member to Lead the Process**	Board Chair, Governance Committee Chair, or designated CEO Evaluation Task Force Chair. Owns timeline, communications, and confidentiality.
2	**Meet with the CEO to Define the Process and Gather Materials**	Clarify expectations and timeline. Collect: CEO job description, annual goals and KPIs, CEO's individual goals, any self-assessment or narrative provided by the CEO.
3	**Develop or Review the Assessment Tool**	Relevant, confidential, structured. Include sections aligned with: strategic leadership, operational management, board relations, fundraising/external relations, achievement of goals and KPIs.
4	**Distribute the Assessment for Board Feedback**	Full board (best for engagement and well-rounded input) or Executive Committee (tighter process). Provide assessment tool, CEO's individual goals, and supporting documents.
5	**Conduct a Compensation Review (every two years)**	Benchmark using trusted nonprofit compensation surveys. Review performance contextually. Full board approves compensation package. Attractive enough to retain top talent without being excessive.
6	**Compile and Analyze Results**	Analyze survey feedback and compensation data. Draft summary: key strengths, areas for development, progress on goals, compensation recommendations.
7	**Deliver Feedback to the CEO**	Board Chair and evaluation lead meet directly with CEO (should be two people). Share summary, constructive feedback, and developmental suggestions and support.
8	**Share Process and Summary with the Full Board**	Maintain confidentiality of individual responses. Communicate process overview, general findings, outcomes, and agreed-upon follow-up steps.

Don’t Forget — Succession Planning

The board is responsible for ensuring a written succession plan exists for the Chief Executive. Two types of succession planning matter:

Emergency / Urgent Succession

Covers departure without notice or long-term absence. Ensures the organization can operate without the CEO.

Planned / Departure-Defined Succession

Addresses a future planned retirement or departure. Allows time for deliberate search and transition.

The board’s role also includes:

- Ensure organization-wide succession plans and documentation of key processes exist
- Establish a Search Committee when a CEO transition becomes necessary

Keep the Boundaries Clear

Boards SHOULD	Boards SHOULD NOT
• Hire, evaluate, compensate, and (if needed) separate the Chief Executive	• Insert themselves in operational activities — managing staff is the CEO’s job
• Ensure a succession plan exists	• Handle HR matters beyond the Chief Executive
• Approve the total personnel budget and CEO compensation	• Work around the Chief Executive for personal agendas
• Approve whistleblower, conflict-of-interest, and personnel policies	• Disclose confidential HR or personnel information with outside parties
• Ensure sufficient resources to attract and retain excellent staff	• Skip or postpone the annual evaluation