

CREATING EFFECTIVE BOARDS

with Sandra Thomson

Session #2 for Volunteer
Presenters
Wednesday March 14, 2018

HOW'S IT GOING?

- Let's hear your "burning issues"
- Write in the chat screen what you are dealing with that made you decide to attend today's webinar
- We'll check back at the end of the session to make sure we addressed all your concerns

How many boards are YOU on?

- All of this information is applicable to any non-profit board
- You can use this webinar for any board you are on now or in the future

What Does Board Membership Mean?

- 1) The bottom line of every decision you make should be “How will this decision help us serve people better?”
- 2) Board members set policy. Volunteers (Committees) implement them.
- 3) Board members ensure that their organization has adequate finances and spends wisely.

What Does Board Membership Mean?

- 4) Board members play an active role in supporting the organization by providing a vision, policy and resources. Boards make decisions that affect the entire organization, while volunteers/committees make decisions that affect individuals or programs within that organization.
- 5) Boards select and evaluate the volunteers and committees who in turn report to the Board on their progress.

What Does Board Membership Mean?

- 6) Board members support the other volunteers with consulting skills, when asked. You may volunteer your specific skills where required.
- 7) Boards (the team of board members) create a written long term plan. This creates the context for the committees and other volunteers to plan day to day activities.
- 8) Board members attend board and committee meetings as active participants.

Board Roles & Responsibilities

There are three main categories

- Planning and Policy Development
- Community and Organization Development
- Fundraising and Support Development

Board Roles & Responsibilities

Planning & Policy Development

- ✂ Determine mission & vision
- ✂ Conduct annual strategic planning retreat
- ✂ Respond to major issues that will have an impact on your organization and the constituencies you serve

Board Roles & Responsibilities

Community & Organization Development

- ✂ Broaden the base of support in your community
- ✂ Interact with community to bring new issues and opportunities to your organization
- ✂ Maintain accountability to the public, funders, members and clients
- ✂ Train and develop current and new leaders within the board, committee and staff / volunteers

Board Roles & Responsibilities

Fundraising & Support Development

- ✂ Give personal time and money
- ✂ Develop donors, members and supporters
- ✂ Lead and support fundraising campaigns and events
- ✂ Maintain accountability to donors and funders

Please Remember

- ✂ Day to day programs and services are not the job of the board
- ✂ They are the job of the committees, volunteers and/or staff assigned to deliver these programs and services.

Barriers to Board Effectiveness

- ✓ **Temptation to micro-manage**
- ✓ **Ineffective nominating committee**
- ✓ **No plan for rotation – no end to terms of service**
- ✓ **Failure to remove unproductive members**
- ✓ **Too small or too large**
- ✓ **Lack of functioning committee structure**
- ✓ **No strategic plan**
- ✓ **No orientation for board members**

The Board Development Process

- ❖ Things don't change overnight
- ❖ It requires commitment on the part of leaders of the board
- ❖ It can take 2 to 5 years to create an effective, self renewing board
- ❖ Dramatic improvements ARE possible immediately by applying the following proven techniques.....

1) Improve Recruitment & Nomination

- ❖ Match board recruitment to the strategic plan
- ❖ Create a profile of the current board
- ❖ Focus recruiting priorities
- ❖ Update board member's job descriptions
- ❖ Improve orientation process for new board members

2) Improve Functioning of the Executive Committee

- ❖ **Plan the agenda of board meetings**
- ❖ **Make decisions on behalf of the full board**
- ❖ **Serve as a communications link with committee chairs and board members using telephone and email**

3) Improve Committee Structure and Effectiveness

- ❖ Write terms of reference for each committee
- ❖ Have an effective committee chair
- ❖ Select committee members thoughtfully
- ❖ Report to the board
- ❖ Have well run meetings

4) Improve Annual Board Self-Evaluation

- ❖ **Conduct self-evaluation mid-way through the year**
- ❖ **Create a two way communication for feedback**
- ❖ **Take corrective action, follow through on commitment to improve**
- ❖ **Hold board members accountable**
- ❖ **Improve training and orientation for the board**

Board Self-Evaluation

Provide board with an opportunity to discuss the value of the process and commit to it. After discussion, adopt a formal resolution to conduct the assessment. Utilize the results to strengthen the board's visionary leadership capacity.

Board Member Responsibilities

Attendance

- ◆ **To attend board meetings and participate in committee work.**

Board Member Responsibilities

Mission

- ◆ To define the mission and participate periodically in strategic planning to review purposes, programs, priorities, funding needs and targets of achievement.

Board Member Responsibilities

Volunteer Recruitment

- ◆ To approve the selection, training, evaluation, and if necessary, dismissal of volunteers and ensure regular evaluation of committee performance.

Board Member Responsibilities

Finances

- ◆ To assure financial responsibility by approving the annual budget and overseeing adherence to it; contracting for an independent audit or review engagement; controlling the investment policies and management of capital and reserve funds.

Board Member Responsibilities

Program Oversight & Support

- ◆ To oversee and evaluate all programs, support the volunteers/committees and be an advocate in the community.

Board Member Responsibilities

Fundraising

- ◆ **To contribute personally and annually and to participate in the identification, cultivation and solicitation of prospective donors.**

Board Member Responsibilities

Board Effectiveness

- ◆ To assure that the board fulfills the foregoing governance responsibilities and maintains effective organization, procedures and recruitment.

Committees of the Board

- The board may establish working committees to take on some of the workload.
- These may be ad hoc (temporary) or standing (permanent) committees and they may act a advisor to the board or as an agent of the board, according to the authority which the board delegates to the committee.

Committees of the Board

- **Limited Advisor** – the committee investigates and reports; the board makes the decision
- **Active Advisor** – the committee investigates and suggests action; the board will probably take the committee's suggestions
- **Limited Agent** – the committee can take action with the board's consent
- **Active Agent** – the committee takes action; the board can later approve and sanction that action

On Directors Liability

1. **Attend board and committee meetings regularly**
2. **Be familiar with the minutes of board meetings and the minutes of your committee assignments**
3. **Be familiar with your organization's publications**
4. **Treat the affairs of your organization as you would your own**
5. **Be certain that your organization's records are reviewed by a reputable accounting firm**

On Directors Liability

6. **Be familiar with your organization's goals, objectives and programs**
7. **Insist that all committee meetings are reported at board meetings in either oral or written form**
8. **Know your organization's budget, budget process and financial situation**
9. **Know who is authorized to sign cheques and in what amount**

On Directors Liability

10. **Avoid self-serving policies**
11. **Inquire if there is something you do not understand or if something comes to your attention which causes you to question a policy or a practice.**
12. **Insist that there is a well-established volunteer management program including screening, training, evaluation and appreciation**
13. **Avoid the substance or appearance of conflict of interest**

On Directors Liability

14. **Be certain that your organization is fulfilling all aspects of its not-for-profit and tax exempt status**
15. **Insist on a written and followed board membership and nominating committee procedure**
16. **Monitor the community and professional image of your organization**

On Directors Liability

17. **Be certain that policies are clearly identified and that the board acts on them as a whole rather than action by a small group of individuals**
18. **Know your organization's board of directors, financial condition, programs and volunteers before accepting membership**
19. **Require that your organization has proper legal counsel**

On Directors Liability

- 20. **Monitor the activity of your executive committee to ensure that it does not overstep its authority**
- 21. **Insist on the board having an insurance policy relative to board volunteer liability**

RISK MANAGEMENT

1. Eliminate Risk – Proper Planning
2. Reduce Risk- Ensure compliance
obtain a free Risk Assessment
3. Mitigate Risk – Adequate Insurance
 - ❑ Directors & Officers Liability insurance
 - ❑ General Liability insurance
 - ❑ Special event insurance

RISK MANAGEMENT

- Hold AGM once every calendar year
- File annual return provincial Societies/Company Branch
- File annual report to CRA
- Comply with provincial and federal regulations for societies and charities

YOUR ONE “TAKE AWAY”

- ❑ Back to the “burning issues”
- ❑ What “one thing” can you implement right away?
- ❑ Write in the chat screen what you plan to do

Documents available:

- Board self evaluation form
- Board commitment pledge form

Sandra Thomson
Development Consultant
www.sandrathomson.ca