

# CREATING EFFECTIVE BOARDS

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with Sandra Thomson

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Session #1 for Professional  
Presenters

Wednesday March 7, 2018

# How are things?

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- Poll: What are challenges are you facing?
- What are you dealing with that made you want to take this webinar?
- We will check back at the end of the session to make sure we have addressed your concerns

# How many boards are YOU on?

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- All of this information is applicable to any non-profit board
- You may serve on several boards now or in the future
- Keep this information for your personal use

# What Does Board Membership Mean?

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- 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. Administrators (Committees) implement them.
- 3) Board members ensure that their organization has adequate finances and spends wisely.

# What Does Board Membership Mean?

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- 4) Board members play an active role in supporting the CEO and the organization by providing a vision, policy and resources. Boards make decisions that affect the entire organization, while administrators make decisions that affect individuals within that organization.
- 5) Boards select and evaluate the CEO who in turn becomes the board's manager.

# What Does Board Membership Mean?

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- 6) Board members support the CEO 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 context for the CEO to plan day to day.
- 8) Board members attend board and committee meetings as active participants.

# Board Roles & Responsibilities

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There are three main categories

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

# Board Roles & Responsibilities

## Planning & Policy Development

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- ✂ 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

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- ✂ 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

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- ✂ 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

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- ✂ 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

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- ✓ **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

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- ❖ **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

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- ❖ 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

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- ❖ **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

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- ❖ **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

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- ❖ **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

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**Provide board and CEO 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

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

# Board Member Responsibilities

## Mission

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

# Board Member Responsibilities

## Chief Executive Officer

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- ◆ **To approve the selection, compensation, and if necessary, dismissal of the chief executive officer and ensure regular evaluation of the CEO's performance.**

# Board Member Responsibilities

## Finances

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- ◆ **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 staff and be an advocate in the community.**

# Board Member Responsibilities

## Fundraising

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

# Board Member Responsibilities

## Board Effectiveness

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

# Committees of the Board

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- 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 as an 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

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- **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

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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 audited by a reputable accounting firm**

# On Directors Liability

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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

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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 personnel program with a competent staff chief executive**
13. **Avoid the substance or appearance of conflict of interest**

# On Directors Liability

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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

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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 staff before accepting membership**
19. **Require that your organization has proper legal counsel**

# On Directors Liability

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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

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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

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- Hold AGM once every calendar year
- File annual return provincial Societies/Company Branch
- File annual report to CRA
- File monthly EI/CPP/Income tax to Revenue Canada
- Comply with provincial and federal regulations for societies and charities

# YOUR ONE “TAKE AWAY”

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- Back to the “burning issues”
- What “one thing” can you implement right away?
- Write in the chat screen the action you plan to take soon

# Documents available:

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- Board self evaluation form
- Board commitment pledge form

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