



# Non-profit Boards that Work

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WITH CAM TAYLOR

**infocus**  
leadership solutions



# Learning Values

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- ❖ Collaborative
- ❖ Experimental
- ❖ Respectful
- ❖ Confidential
- ❖ Responsible



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Part 1: The Non-profit Landscape

Part 2: Organizational Health

Part 3: The Nuts and Bolts of Non-profit boards

Part 4: Roles and Relationships



## Part 1: The Non-profit Landscape

# The Difference Non-profits Makes

## Quick Facts:

- 170,000
- 8.1%
- 2 million
- 12.5 million
- 2.1 billion hours
- 10.6 billion

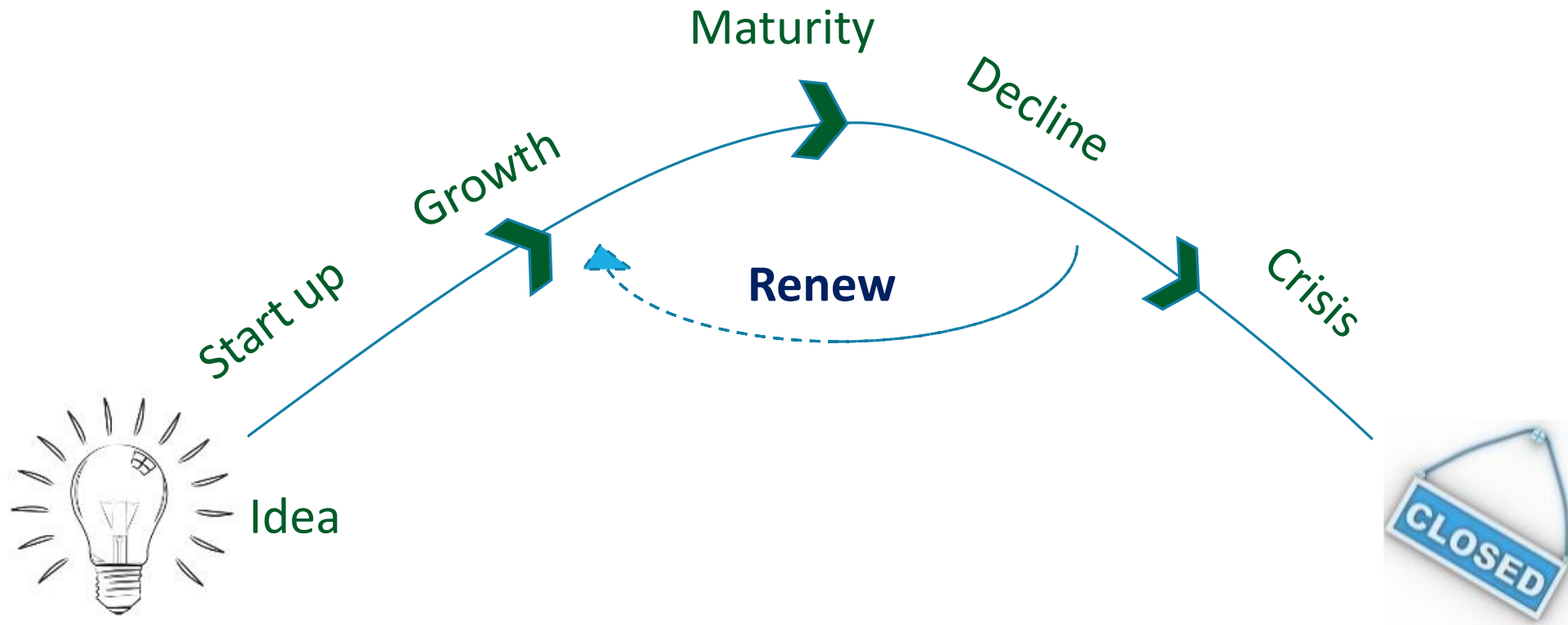
# The Rising Expectations of Non-profit Boards

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- ❖ A higher standard of legal accountability
- ❖ Competition for donor dollars
- ❖ People support organizations that get results
- ❖ Trust is earned by sound leadership – not assumed
- ❖ Demand for local initiatives lead by local people

# The Life Cycle of an Organization





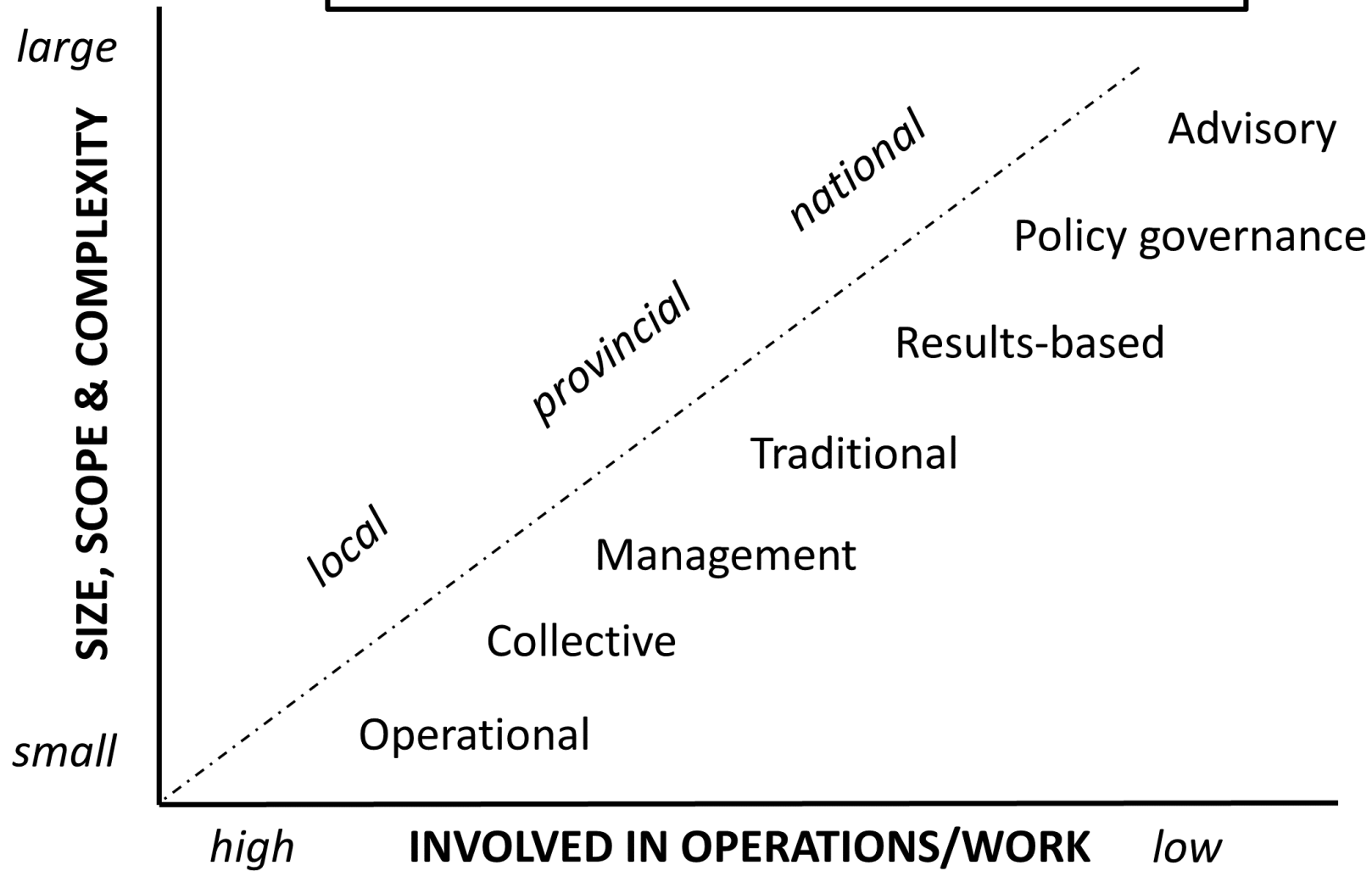
Not All Non-  
profit Boards are  
Equal

*“If you’ve seen  
one non-profit  
board, you’ve  
seen one non-  
profit board.”*

What are some of the  
different types of  
non-profit boards  
you’ve seen or been  
part of?



**The Various Types of Boards**  
*Based on primary purpose & activity*





## Part 2: Organizational Health

# Three Hats Worn in Non-Profits



# Management & Governance

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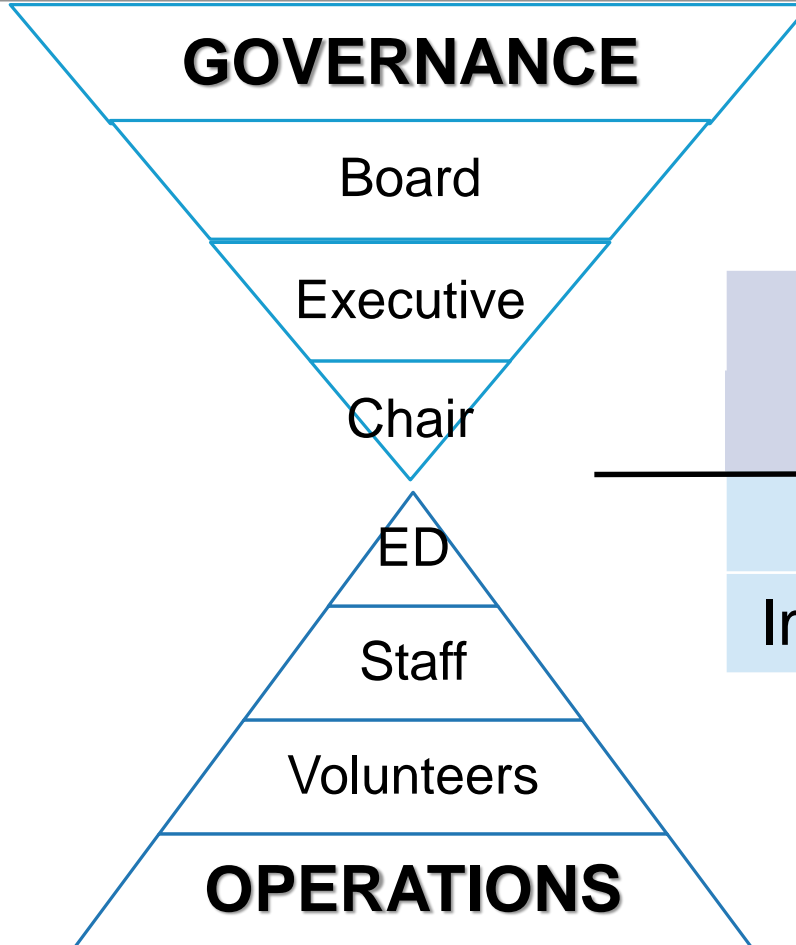
*“Getting things done  
through people.”*



*“A sound ship, clear destination,  
seaworthy vessel.”*

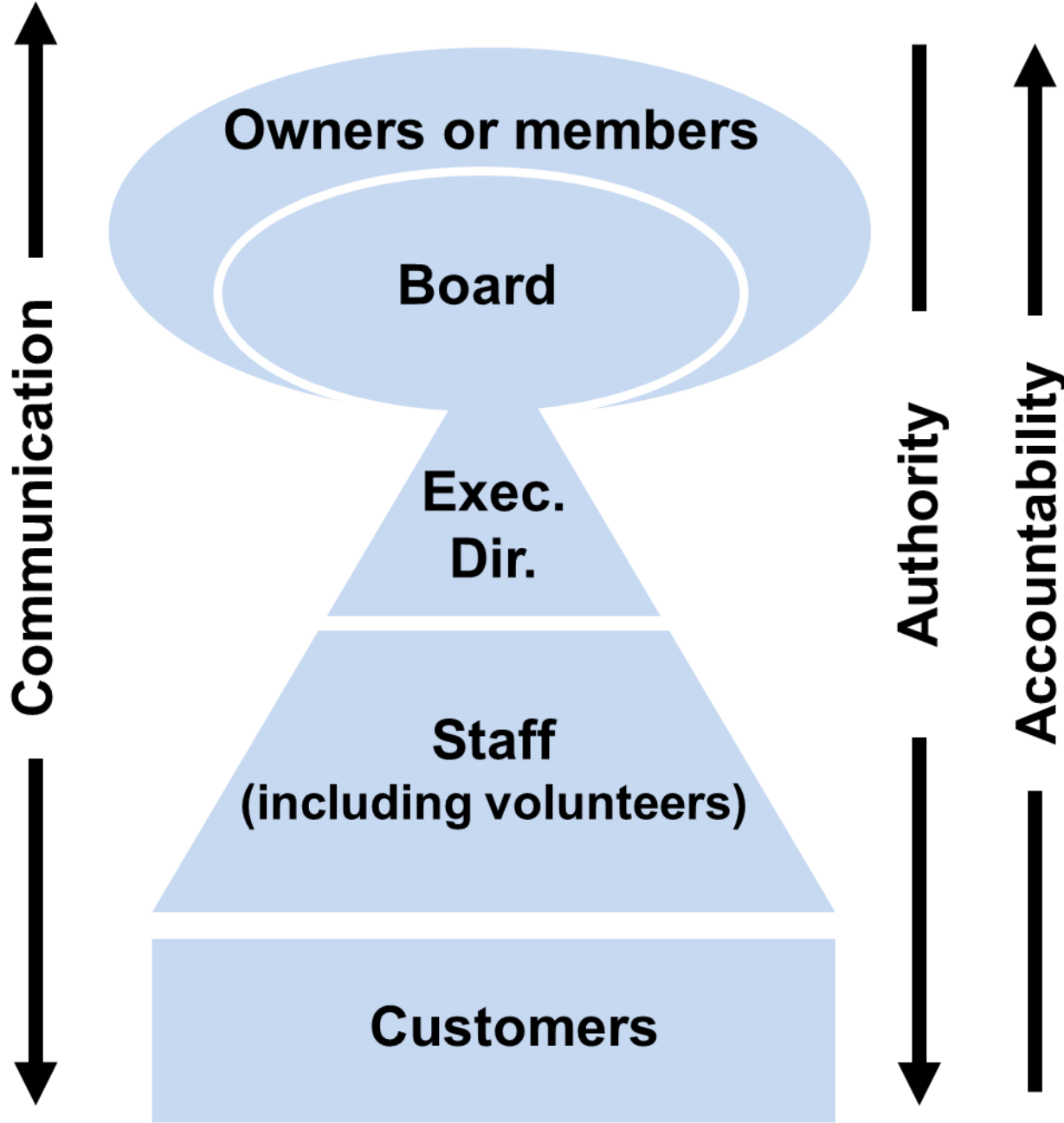


# Governance & Operations



Policy Board	Discern "Ends"	Head Think
Staff	"Means"	Do
Implement	Act	Hands

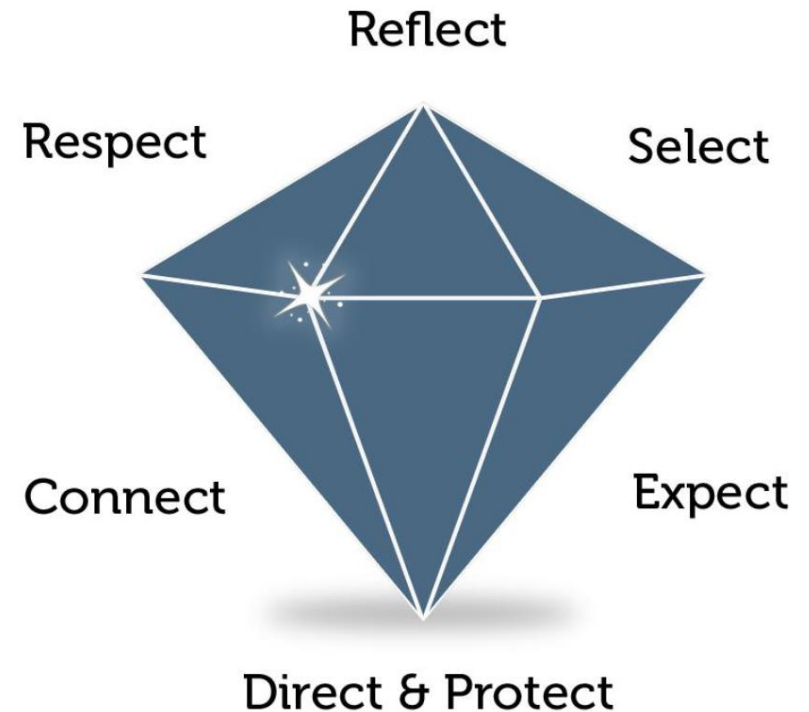
Communication,  
Authority, and  
Accountability



# Seven Disciplines of Governance Excellence



**GOOD GOVERNANCE** is:  
“...having the *right*  
structures & processes to  
ensure you are achieving  
*desired results* and  
achieving them *the right*  
*way.*”



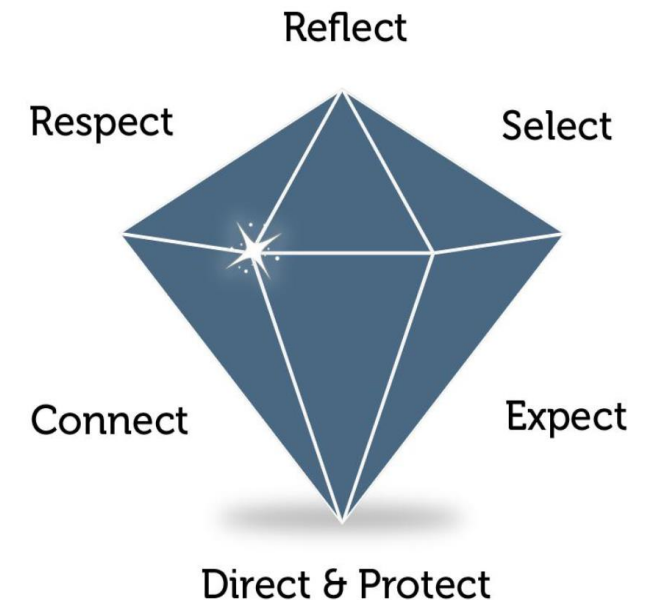


# The Governance Excellent Model (GEM\*)



## Direct... Organizational Performance

- Define and refine the vision, mission, and values
- Determine key result areas
- Establish the governing policies that guide the organization

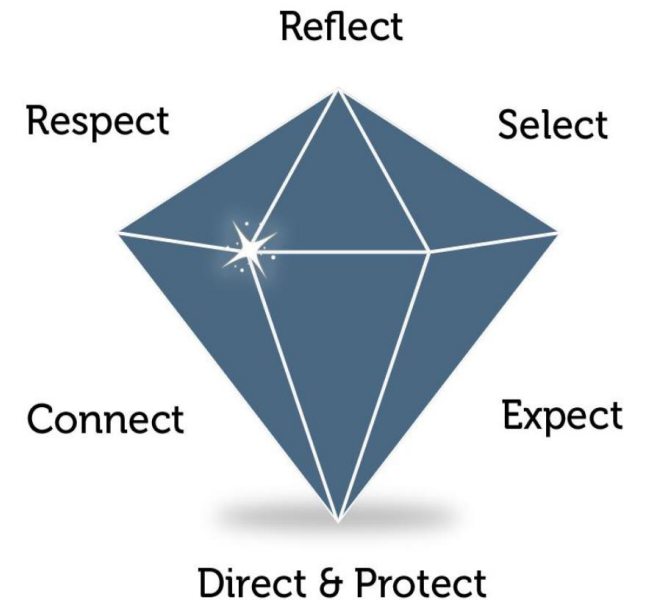


# The Governance Excellent Model (GEM\*)



## Protect... the Interests of the Members

- Ensure that key result areas and policies are met through appropriate auditing and reporting
- Maintain a culture of performance improvement for both the Board and Executive Director (ED)

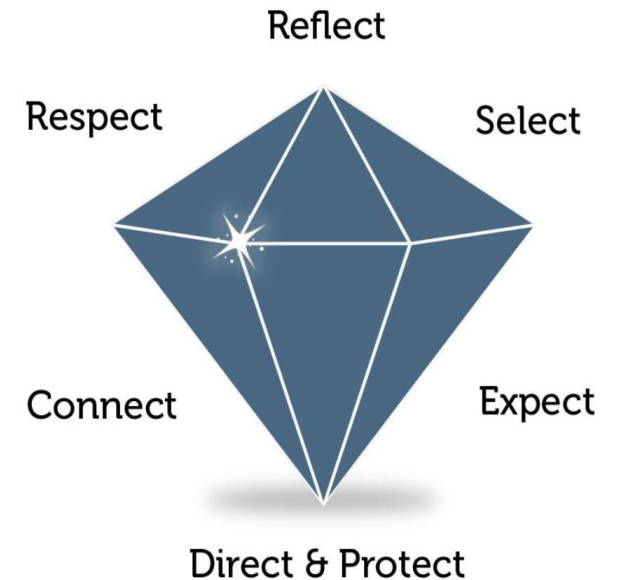


# The Governance Excellent Model (GEM\*)



## Expect... Great Board-Management Interaction

- Articulate board expectations of the organization and ED
- Establish & maintain communication between board & ED
- Foster an effective team dynamic between board & ED

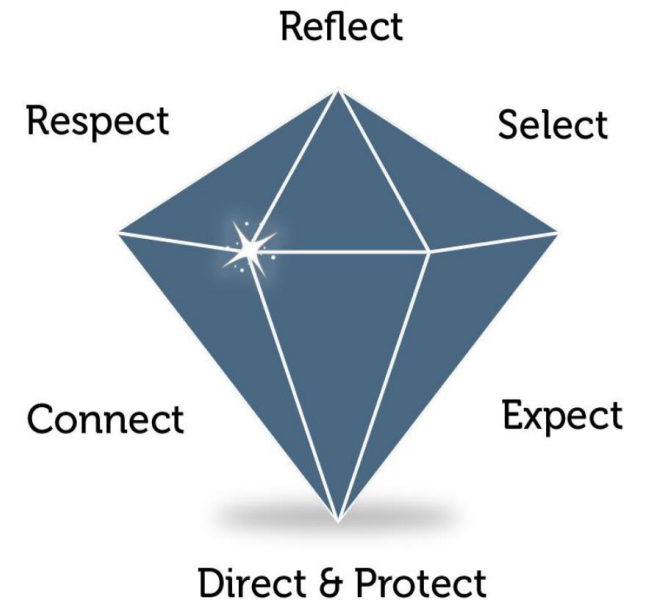


# The Governance Excellent Model (GEM\*)



## Respect... Member Expectations

- Listen, to understand members
- Invite input from the members
- Help members understand board actions & organizational results

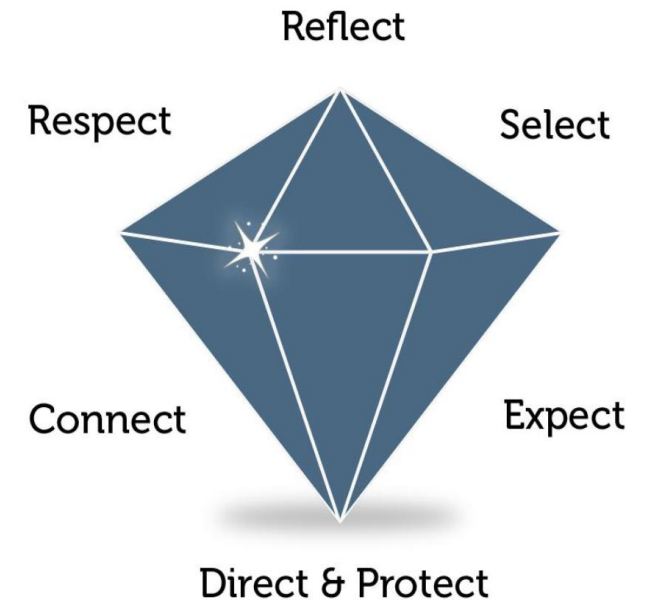


# The Governance Excellent Model (GEM\*)



## Reflect... on Organizational Results

- Understand and think about the results of the organization's operations and the reasons for deviations from projections

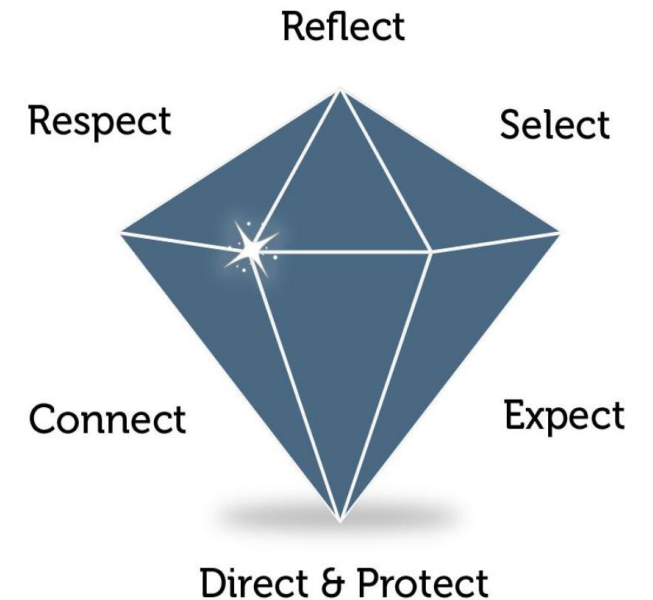


# The Governance Excellent Model (GEM\*)



## Select... Prominent Leadership

- Ensure the directors project credibility to key audiences
- Choose people with the skills, values, & credibility to fulfill responsibilities
- Remove people from roles if they compromise the organization

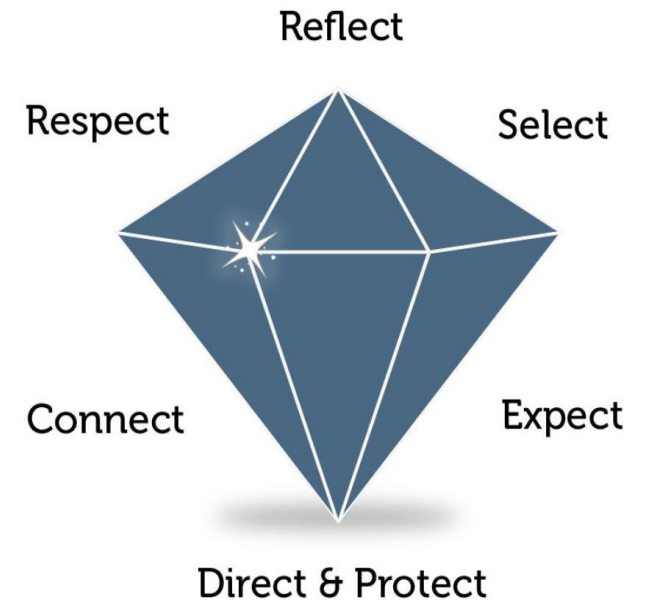


# The Governance Excellent Model (GEM\*)

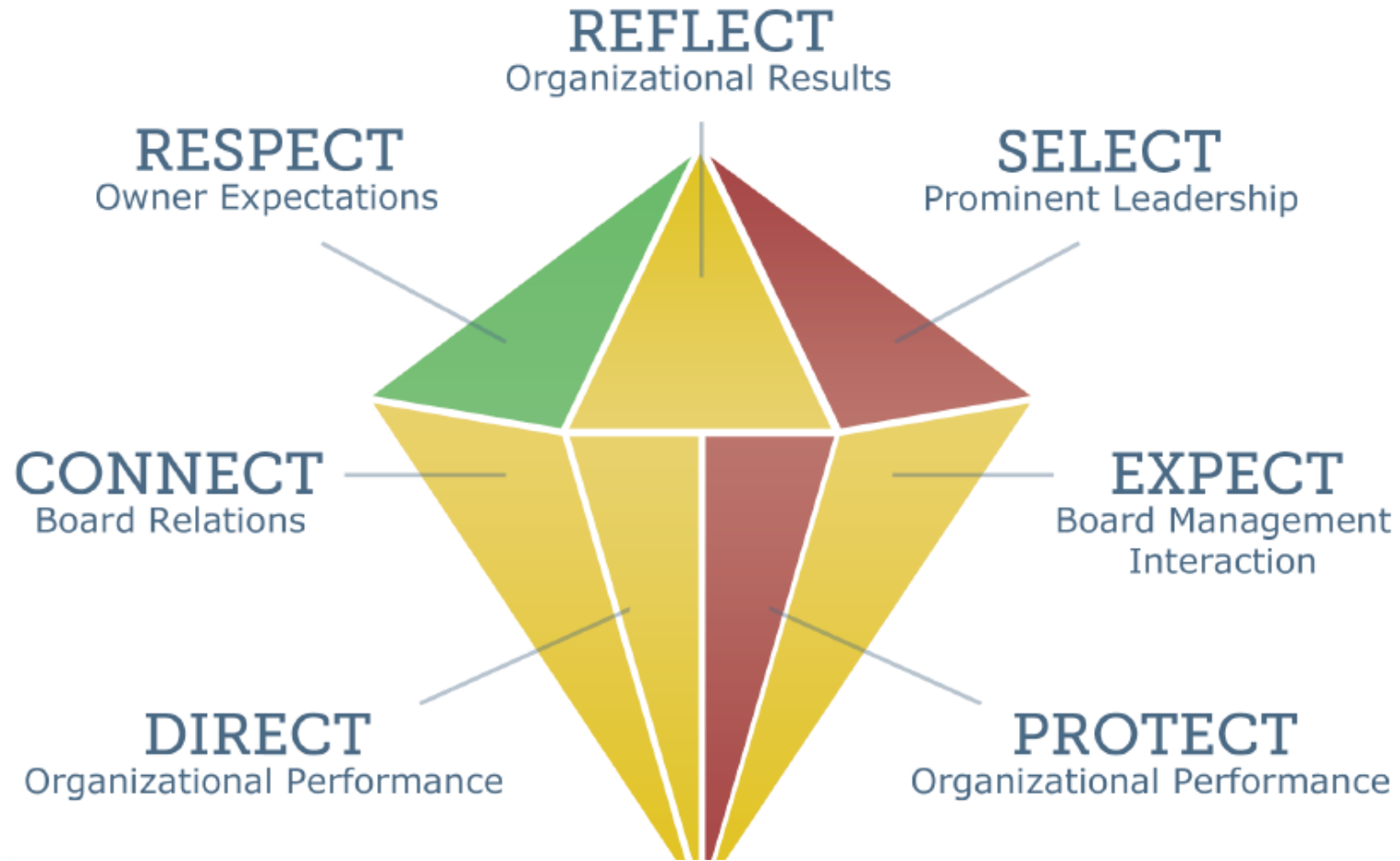


## Connect... for Healthy Board Relations

- Agree upon, understand, & comply with the expectations of each other
- Create & follow a communication process within the board
- Contribute to an effective team dynamic within the board

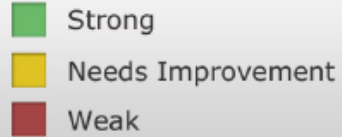




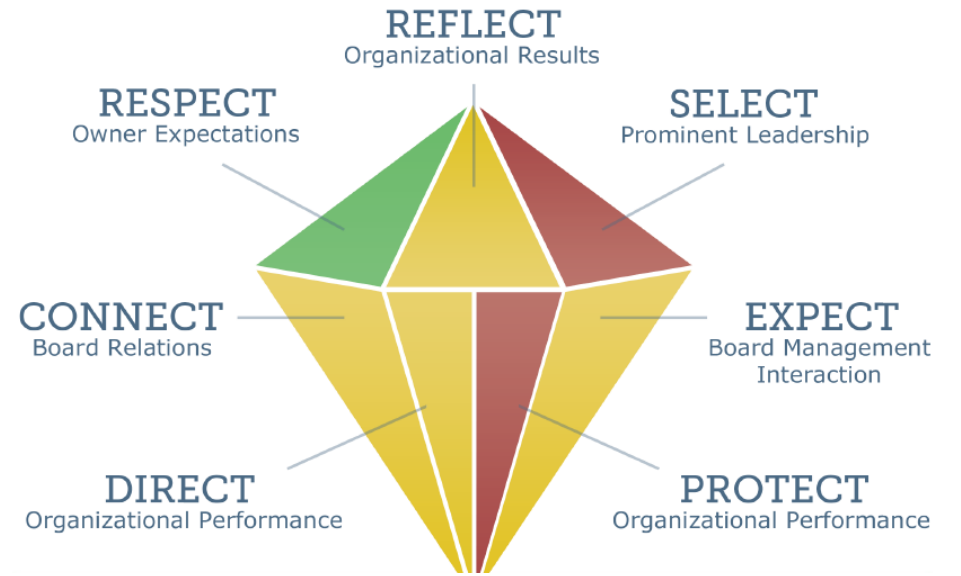




# GEM Diagnostic Summary



For an interactive look at the model, go to [www.strive.com/models/gem.aspx](http://www.strive.com/models/gem.aspx)





## Part 3: Non-profit Board Nuts and Bolts

# Making meetings meaningful



What elements do you need for board meetings to be effective?



"And should there be a sudden loss of consciousness during this meeting, oxygen masks will drop from the ceiling."





# Factors for Effective Meetings

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- Purpose
- Preparation
- Leadership

# Leadership

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*“Leadership is a process of social influence, which maximizes the efforts of others, towards the achievement of a goal.”*

– Kevin Kruse

# Factors for Effective Meetings

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- Procedures
- Documentation
- Promote participation



# Factors for Effective Meetings

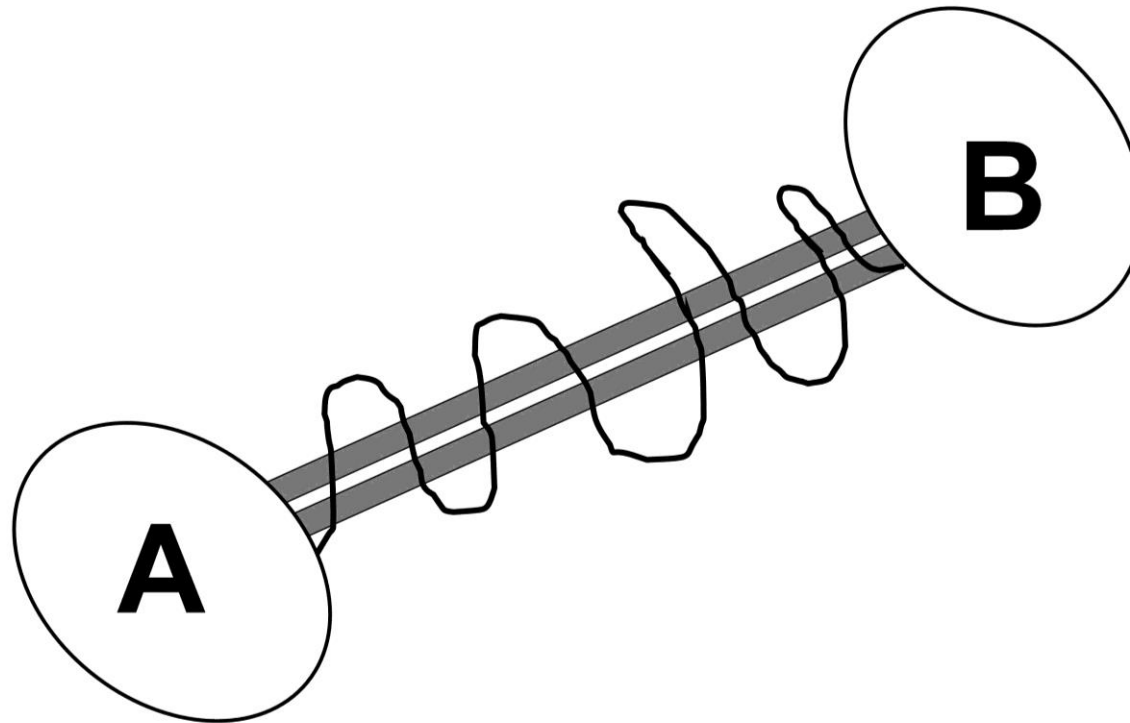
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- Facilitate connection
- Minutes and Action
- Membership Meetings

# The strategic planning process

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# Legal Matters

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## Legal duties of board members

- The duty of diligence
- The duty of loyalty
- The duty of management



# Legal Matters

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**The duty of diligence** — to act in good faith and in the best interest of the organization by:

- Staying informed -- read minutes, agendas & materials
- Attending meetings regularly
- Being knowledgeable about the policies & operations

# Legal Matters

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**The duty of loyalty**—to place the interest of the organization first through such actions as:

- Avoiding and/or declaring conflicts of interest
- Representing the organization in a positive manner
- Respecting confidentiality

# Legal Matters

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**The duty of management**—to act and make decisions in line with the governing policies and bylaws by:

- Understanding the scope of authority for directors & leaders
- Regularly reviewing bylaws & policies
- Meet legal requirements related to governance
- Ensuring meetings are held and documented with minutes



# Legal Matters

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Members can be found liable if the actions and/or decisions result in:

- A law being broken
- A contract being breached
- Injuries or damage



# Human Resource Management

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- Employment insurance, income tax laws & payroll related standards & regulations
- Workplace safety & liability
- Workplace hazardous waste & material handling (if applicable)
- Consultant & non-employee regulations
- Employment legislation & standards

# Financial Management

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- Auditors - appointed annually & reports are reviewed
- Finance committees - in place & with reports provided & reviewed regularly
- Safeguards - in place for financial resources (banking & back-ups of docs)
- Policies - in place & monitored (ie. investing, use of credit cards, signing authorities and fundraising)
- Directors - knowledgeable about revenues & costs of the organization

Resource: **20 Questions Directors of Not-for-Profit Organizations Should Ask about Fiduciary Duty** as produced by the Chartered Accountants of Canada.

# Risk assessment check-list

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# Insurance

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Liability insurance for boards is known as Director's and Officer's (D & O) Insurance.

This insurance covers the legal costs that an organization is responsible for if liabilities have occurred.

# BC Societies Act

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The Societies Act came into effect November 28, 2016 and governs how societies are created and run in B.C. You have until Nov. 2018 to transition.

The Act includes significant updates to allow for more flexibility in how societies operate, while still protecting the public interest.

# Bylaws

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Every organization should have its own bylaws.

An organization that is not incorporated may refer to its governing documents as a constitution rather than bylaws.

A constitution provides an overview of the organization's purpose, mission and objectives.

# Policies

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What is the definition of a “policy”?



# Policies

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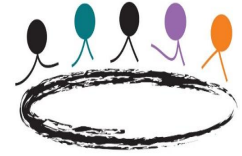
Organizations run into trouble when...

- They do not set policies to deal with issues
- They set out incomplete, vague or contradictory policies
- They set out policies but don't follow them
- They have policies that don't "fit" their culture



# Policies

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## Policies are Your Best Friend

- They guide actions
- They help avoid a problem or crisis
- They help you act uniformly, consistently and fairly

# Policies

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## Types of Policies

- Framework Policies
- Governance Policies
- Operational Policies

# Part 4: Roles and Relationships

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# Board Behavior

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What behaviors have you seen that have hindered board effectiveness?



wikiHow

# Board Behavior

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## Basic Principles of Boards

- The Board is a corporate body and acts as a single entity
- The Board speaks with one voice
- The Board speaks by developing, approving, monitoring and updating policy
- Board, committees and staff must work in partnership

# Board Behavior

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## An Effective Board...

- Steers towards mission through strategic planning
- Communicates transparently
- Develops structures for the Board
- Educates itself on its role and avoids conflicts of interest
- Maintains fiscal responsibility
- Ensures effective management
- Implements systems for assessment and control
- Plans for succession and diversity of the Board

# Board Behavior

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## Individually, each board member must:

- Act in the best interests of the organization
- Understand the roles and responsibilities of being a board member
- Be familiar with the organization's bylaws, policies and procedures, plan, etc.
- Avoid conflicts of interest including operating in the best interest of the organization not in self-interest or the interest of a stakeholder group
- Respect confidentiality policies that pertain to membership and board discussions
- Keep informed about the organization's financial activity and legal obligations
- Bring their own skills, experience and knowledge to the organization
- Attend board meetings regularly and arrive prepared for meetings
- Support board decisions once they have been voted on

# Board Roles and Makeup

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Chair (or President)

Vice-Chairperson

Secretary

Treasurer

Past Chair (or President)

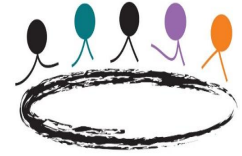
Members at large

Executive Director (ex-officio)



# The board and the job description

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A good job description includes:

- Position
- Authority
- Responsibility
- Requirements
- Term
- General Duties
- Evaluation Process
- Review Date
- Last Approval Date

# The Executive Director



## The key areas are:

1. Policy Management
2. Strategic Planning
3. Visioning
4. Leadership
5. Program Management
6. Personnel Management
7. Financial Management
8. Risk Analysis
9. Advocacy Management
10. Performance Appraisal Process



# Committees and task groups

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What are some of the committees you've served on?



# Some Common Committees



Executive Committee

Personnel Committee

Finance Committee

Nominating Committee

Fundraising Committee





# Committees and task groups

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Effective committees need to function well:

- A clear role and purpose
- Terms of reference
- A chair
- An appropriate number of members
- A mechanism to report back to the board
- A way to evaluate their work

# Recruiting New Board Members

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## Things you need:

- Need assessment
- The story
- Job descriptions
- The application & screening process



# Putting your learning to work

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What were 3 key learnings?

What will you do as a result of what you learned?

What is the next step in your personal development or with the non-profit you are part of?



# Feedback and Ongoing Support

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# Resources and Extra Material

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*What books, websites, and resources have you used in your work with your board and organization?*

