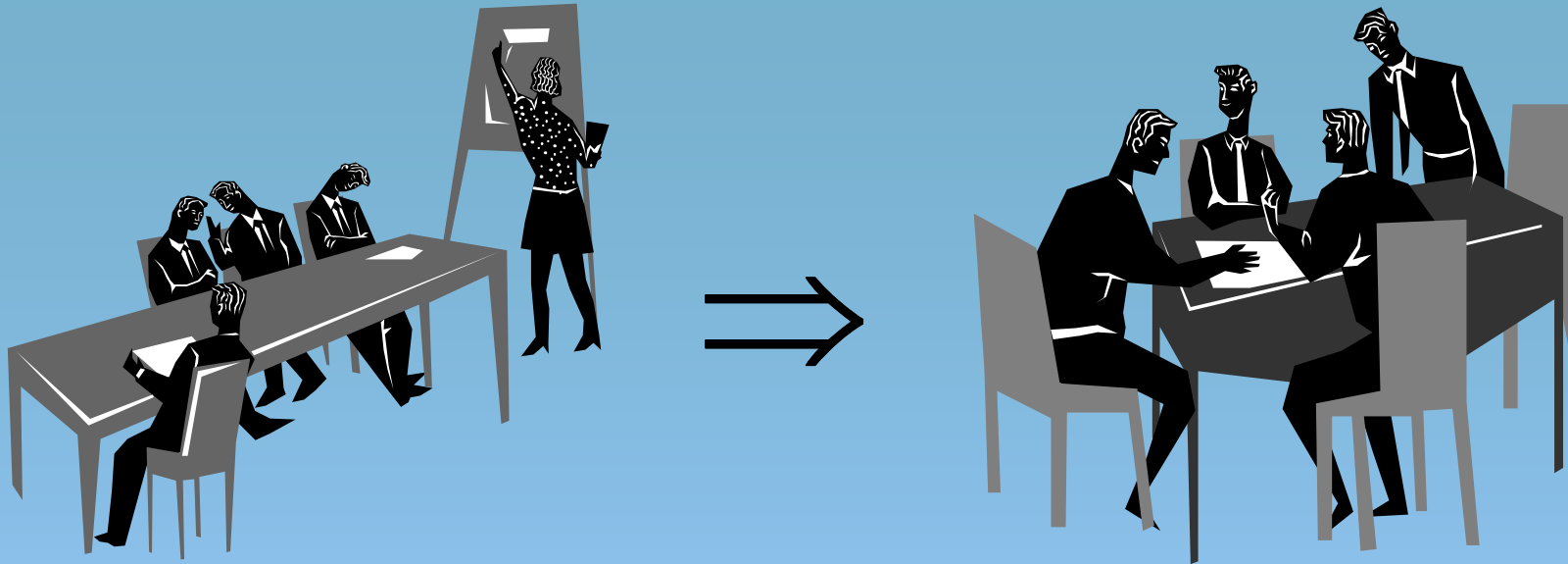


From “Bored” to BOARD Member



Understanding Governance for Building Better Boards

Presentation for: India Canada Association of Calgary

By: Shari Hanson, Alberta Culture & Community Spirit

The Value of One...
...the Power of Many
Supporting Alberta Communities



Governance

It's about **leadership**, positive relationships and ***shared goals*** among:

- Board of Directors
- Executive Director (*key staff position – if any*) or Executive Committee
- Members/Stakeholders

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- **The art of steering the organization.**
 - **The way in which an organization exercises its authority, control & direction.**

Types of Governing Boards

Policy Governing Boards

- Have senior management staff
 - *Staff implements policies determined by the Board*

Administrative Governing Boards

- Have no senior staff
 - *Board determines & implements policies*

Good governance prevails when you have...

- A well-functioning Board
- Real accountability
- Clarity of purpose
- Transparency and openness
- Sound Board-staff relationships
- Effective stewardship

And its consequences are...

- ✓ Trust
- ✓ Credibility
- ✓ Legitimacy
- ✓ Results that matter- *making a difference*
- ✓ The ability to weather crises
- ✓ A climate & relationships that ensure financial stability

Good Governance is fostered by...

- Effective leadership (Chair and ED (elected directors))
- Clear roles (positions and committees)-
understanding each individual role
- People that perform (Board and ED)-*recruit the right people, roles of membership, maximize your time together*
- Strong values: trust, respect, caring, openness
- Foresight
- A shared understanding of what approach to governance is right for your organization.- *how to organize yourself as a whole, how your organization works best*

Focus, Authority and Accountability of Governance



8 Principles for Effective Governance:

- Articulate and communicate the Vision
- Focus on the whole organization
- Operate as a corporate body with board members working together as a whole
- Speak with one voice
- Responsible for its self-management
- Avoid making management and operational decisions
- Direct the organization's work
- Hire and supervise only 1 employee

Roles of Governing Boards

Boards are Responsible for:

- Understanding Enabling Documentation (Bylaws)
- Developing and Monitoring Policies
- Use of Committees

Developing & Monitoring Policies

- **Your governance framework (those structures, policies & traditions) that determine how you:**
 - ☑ Decide where you're going
 - ☑ Allocate power
 - ☑ Make sure things are secure
 - ☑ Monitor how well you are doing
 - ☑ Involve people in decisions
 - ☑ Report on results achieved

Policies and Procedures

Are developed by and are unique to each Board!

They:

1. Provide framework, parameters, terms and conditions to guide the actions of the board & staff.
2. Foster stability and continuity for the organization.
3. Specify the HOW, WHEN, and BY WHOM.

Framework Policies

Broadest policy area such as “Mission”, “Vision”, “Strategic Direction”.

1. Provide the organization with direction and visionary focus
2. Provide stakeholders and client groups with an understanding of direction of the board
3. Defines and justifies the use of resources

Strategic Planning

A process that allows the board to develop group consensus on direction and goals of the organization.

Board Self-Governance Policies

Define how the organization gets its work done.

- **Policy-making**
- **Governing Style**
- **Roles, Responsibilities and Functions of:**
 - Membership
 - Board Members
 - Board Committees
- **Board Recruitment:**
 - Orientation
 - Training
 - Evaluation
- **Chair's Role**
- **Committee Principles**
- **Board Function**

Operational Policies

- Set out the Board's Direction for:
 - Personnel Functions
 - Programs & Services Functions
 - Financial Functions
- Direct the actions of:
 - Executive Director
 - Staff and/or Volunteers
- Well written operational policies include:
 - Statement of Intent (WHY)
 - Regulation (WHAT)
 - Procedures (HOW)

Advocacy Policies

Secure community support and appreciation through:

- Processes for responding to matters affecting the organization's relationship to the community (including controversial issues or sensitive matters).
- Speaking with one voice
- Promoting the organization's vision (community awareness)

Board Committees

- Board organizes its work through committees.
- A committee is a work unit of the board.
- Each committee needs a clear description of what it is expected to achieve. i.e. a Terms of Reference



Terms of Reference are useful for:

- Establishing purpose, responsibilities and duties
- How the committee is composed
- Clarifying number/dates of meetings
- Establishing resources
- Setting objectives
- Reporting and target dates
- Clarifying review and evaluation steps

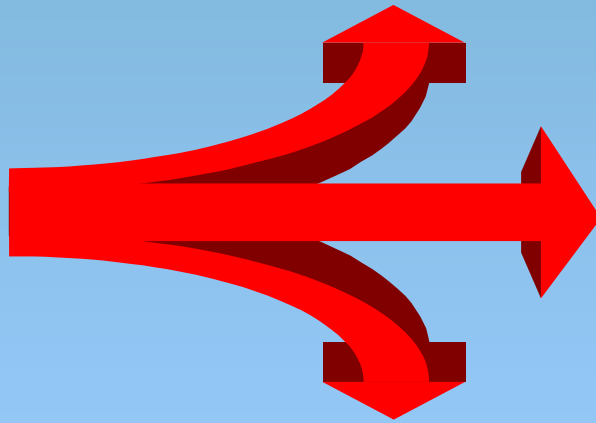
Committee Reports

- **Three ways to report:**

- For Information: update board on issue or upcoming event, written or verbal

- For Discussion: generate feedback and input from board on particular issue, idea, or plan, no decision required

- For Action: decision made, delay action for more study, approved, amended, or rejected



Governing Boards have the ultimate responsibility for the organization's:

- ✓ Purpose
- ✓ Progress
- ✓ Continuity
- ✓ Identity
- ✓ Direction

Role of Board Members

- ✓ **Board members must understand that they are fully accountable for all organizational behavior.**
- ✗ **They are not “just volunteers” who assemble to advise staff, lend their names, or socially bless staff activity.**
- ✓ *Board members are, in a moral, if not a legal sense, trustees for others.*

Performance Expectations of Board Members

- Loyalty
- Conflict of Interest
- Individual Authority
- Conduct
- Meeting Preparation
- Active Participation
- Board & Staff Relations
- Confidentiality
- Image

Fiduciary Responsibilities

- A fiduciary is someone who has undertaken to act for and on behalf of another in a particular matter in circumstances which give rise to a relationship of trust and confidence.
- One party holds a **fiduciary relation** or acts in a fiduciary capacity to another.
- In a fiduciary relation one person justifiably reposes confidence, good faith, reliance and trust in another whose aid, advice or protection is sought in some matter.
- In such a relation good conscience requires one to act at all times for the sole benefit and interests of another, with loyalty to those interests.

For More Information and/or Resources:

- Alberta Culture & Community Spirit, Community Development Branch
 - **Central Region: Cochrane**
Box 266, Provincial Building
213 - 1 Street West
Cochrane, Alberta T4C 1A5
Tel: (403) 932-2970
Fax: (403) 932-6017



For More Information and/or Resources:

- **The Board Development Program**

#907 Standard Life Centre
10405 Jasper Avenue
Edmonton, AB T5J 4R7
Webpage: www.albertabdp.ca

Tel: (780) 427-2001
Fax: (780) 427-4155
Email: bdp@gov.ab.ca

*Provide Workshops and Resources to assist Not-For-Profit Boards in the area of Governance. **Workbooks & Newsletters available online at:***
<http://culture.alberta.ca/bdp/resources.aspx>

- **The Resource Centre for Voluntary Organizations**

Grant MacEwan College
5-132, 10700 - 104 Ave., Edmonton AB T5J 4S2
Fax: (780) 497-5634
Inquiries please phone (780) 497-5616
Toll-free Alberta only: 1-877-897-5616
Webpage: <http://www.rcvo.org>

*Information for the non-profit sector on
volunteer management, board
development, fundraising, & agency
management*

- **Charity Village**

Webpage: <http://www.charityvillage.com>

Canada's supersite for the nonprofit sector. If philanthropy and volunteerism are part of your world, this is your place.