



Regional District of Bulkley-Nechako (RDBN)



December 3, 2016 – Presented by Terry J. Clark, CAE



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Introduction

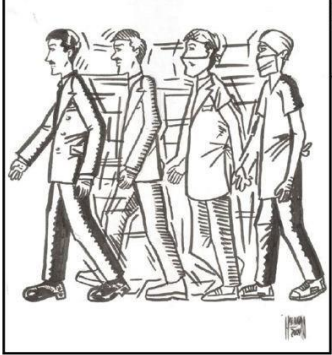
Welcome



Disclaimer

- This is not legal advice
- I am not a lawyer
- Its practical advice is based on not-for-profit 'Best Practices'

Association Life™



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Board Myth #1 - Upon their election, members will transform into effective directors without orientation or training.



Could We Eliminate 3 Sentences Today?

- Yes, I know that
- We have always done it that way
- Yes, but our not-for-profit is different.....

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Your Window of Opportunity



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Benefits – What's In It For Me?

- Clarity
- Transparency
- Meeting Efficiency
- Decision Making
- Your Due Diligence
- My Due Diligence
- Thought Provoking
- Getting Unstuck

Roles and Responsibilities Of Directors

Duties of a Board of Director

- Duty of Knowledge
- Duty of Care
- Duty of Skill and Prudence
- Duty of Diligence
- Duty to Manage
- Fiduciary Duty

Organizational Gaps

- Finance
- Communication
- Lack of Internal Volunteers
- Roles and Responsibilities
- Meeting Management
- Systems
- Some Policies
- Others ?

What is NOT Going to Be Covered Today?

- Roberts Rules of Order
- Bylaw Review
- Items such as your regionalization, demographics
- This is not an operational review
- Where these items affect Board development or Board/Staff relationships, I will mention it

Three Hats



- Mid to Longer-Term Board Member
- Brand New Board Member
- Executive Director

Potential Liabilities of a Board of Director

- Criminal Liability
- Civil Liability
- Statutory Liability
- Employee and Workplace Liability
- Income Tax Liability
- Environmental Liability

Protection of a Board of Director

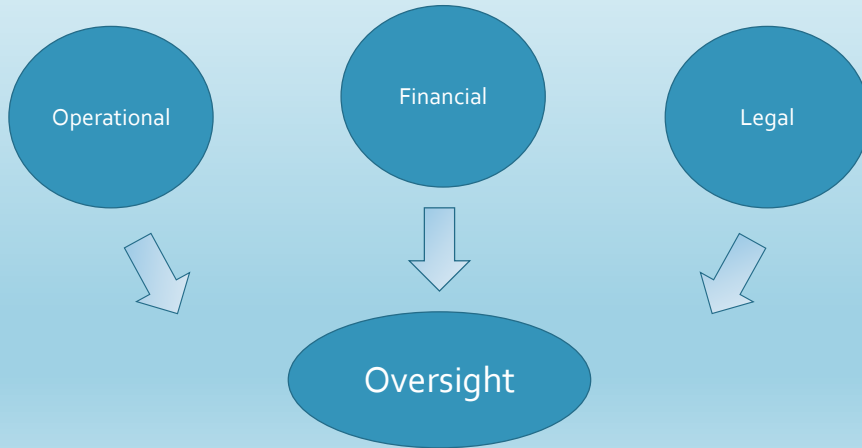
- Indemnification
- Insurance
- Independent Advice
- Disclosure of Competing Interests
- Impact of Ratification
- Due Diligence



What is Governance?

The exercise of authority, direction and control of an organization in order to ensure that its purpose is achieved.

Providing Fiduciary Oversight



SECTION II: BOARD STRATEGIC AND FINANCIAL OVERSIGHT

	Satisfactory	Could Be Improved
Strategic Planning		
1. Board members exhibit an understanding of the association's mission by constantly analyzing whether or not a topic brought up before the board falls within the association's mission. Existing and new committees within the association are also analyzed as to whether or not they are in existence to fulfill the association's long range objectives		
Suggestions for improvement:		
2. The Board agenda has sufficient time allotted to review the status of the associations strategic plan and whether or not it continues to be relevant to the current industry trends and member needs		
Suggestions for improvement:		

Good Governance

- Vision, Values & Vigilance
- Participation
- Destination, Directions & Decisions
- Transparency
- Resources
- Monitoring Performance
- Accountability

Board Models

- Operational i.e. District
- Collective
- Complimentary
- Constituent Representational
- Traditional
- Fundraising
- Advisory
- Policy Governance (hybrid) i.e. Provincial



(Logo Here)

(Not For Profit Name Here)

As a member of **(Not For Profit Name Here)** I will:

- Perform my duties so as to honour the trust of the membership that elected me.
- Comply with all applicable statutes and regulations applying to not for profit associations and the terms of the constitution, the bylaws and the board policies.
- Protect the interests of the association, including its mission and by prudent business practice.
- Refrain from using my position on the Board for my own personal advantage or to the detriment of the interests of the **(Not For Profit Name Here)**.
- Protect the confidentiality of private information to which I become a party as a member of the Board, e.g. member lists, financial information and public policy goals.

I accept my personal responsibility to strive to:

- Attend the meetings of the Board, Executive and committees to which I have accepted appointment.
- Review all information and materials sent to me in connection with Board business and to provide to the Board my best attention and judgment.
- Respect the integrity and abilities of my fellow Board members.
- Advance the unity of the **(Not For Profit Name Here)**, recognizing that Board decisions lawfully reached are the voice of the **(Not For Profit Name Here)**.
- Respect diversity of opinions and the right of those members to express opinions which may not accord with the views of others, with a view to encouraging healthy debate.

I confirm that I am:

- At least 18 years of age.
- Not been found by any court to be incapable of managing my own affairs.
- Not an undischarged bankrupt.
- Not been convicted in or outside of British Columbia of an offence in connection with the promotion, formation or management of an association or of an offence involving fraud.

Signed _____ Date _____

Name _____
(please print)

Executive Limitations Document

- A separate one for the Board Chair
- A separate one for the Vice Chair
- A separate one for the Treasurer
- It outlines what you can do and what you cannot do

(Logo Here)

Board Manual Policies and Procedures

(Date Here)

(Not For Profit Name Here) Board Manual Policies and Procedures

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Association Life™



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While the Board's aggressive downsizing had produced more efficient governance, Jeffrey wondered if they had gone too far!

Committees

- Standing Committee
- Working Committee
- Ad hoc or task force

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Is it a Bylaw or a Board Policy?



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What Are the Indicators of Success?

- Organizational Success
- Board Success



Board Self-Evaluation Questionnaire

A Tool for Improving the Governance Practices
of Non-Profit Organizations

Name _____ For period from _____ to _____
(optional)

Board Self-Evaluation Questionnaire

Board Self Evaluation Questionnaire

Questions should be answered by all board members. When completed individually the results of Sections A, B and C should be compiled, shared and discussed by the whole board to determine an average group answer to each question and an overall section rating. Section D should be answered by board members alone but not shared with the group. Sections A, B and C should also be completed by the Executive Director or CEO. This questionnaire also includes Section E, which provides feedback to the Chair of the Board.

Circle the response that best reflects your opinion. The rating scale for each statement is: Strongly Disagree (1), Disagree (2), Maybe or Not Sure (3), Agree (4), Strongly Agree (5).

A. How Well Has the Board Done Its Job?

- | | | | | | |
|--|---|---|---|---|---|
| 1. Our organization operates with a strategic plan or a set of measurable goals and priorities. | 1 | 2 | 3 | 4 | 5 |
| 2. The board's regular meeting agenda items reflects our strategic plan or priorities. | 1 | 2 | 3 | 4 | 5 |
| 3. The board has created or reviewed, in this period, some key governance job descriptions (e.g board chair, directors and committees) | 1 | 2 | 3 | 4 | 5 |
| 4. The board gives direction to staff on how to achieve the goals by setting, referring to, or revising policies. | 1 | 2 | 3 | 4 | 5 |
| 5. The board has identified and reviewed the organization's relationship with each of its key stakeholders | 1 | 2 | 3 | 4 | 5 |
| 6. The board has ensured that the organization's accomplishments and challenges have been communicated to key stakeholders | 1 | 2 | 3 | 4 | 5 |
| 7. The board has ensured that stakeholders have received reports on how our organization has used its financial and human resources. | 1 | 2 | 3 | 4 | 5 |
| 8. _____ | 1 | 2 | 3 | 4 | 5 |

My overall rating (add together the total of the numbers circled).

Excellent (30-24) Satisfactory (23-19) Poor (18- 6)

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Board Self-Evaluation Questionnaire

D. My Performance as an Individual Board Member (Not to be shared)

Circle the response that best reflects your opinion. The rating scale for each statement is: Strongly Disagree (1), Disagree (2), Maybe or Not Sure (3), Agree (4), Strongly Agree (5).

- | | | | | | |
|---|---|---|---|---|---|
| 1. I am aware of what is expected of me as a board member. | 1 | 2 | 3 | 4 | 5 |
| 2. I have a good record of meeting attendance. | 1 | 2 | 3 | 4 | 5 |
| 3. I read the minutes, reports and other materials in advance of our board meetings. | 1 | 2 | 3 | 4 | 5 |
| 4. I am familiar with what is in the organization's by-laws and governing policies | 1 | 2 | 3 | 4 | 5 |
| 5. I frequently encourage other board members to express their opinions at board meetings. | 1 | 2 | 3 | 4 | 5 |
| 6. I am encouraged by other board members to express my opinions at board meetings. | 1 | 2 | 3 | 4 | 5 |
| 7. I am a good listener at board meetings. | 1 | 2 | 3 | 4 | 5 |
| 8. I follow through on things I have said I would do. | 1 | 2 | 3 | 4 | 5 |
| 9. I maintain the confidentiality of all board decisions. | 1 | 2 | 3 | 4 | 5 |
| 10. When I have a different opinion than the majority, I raise it. | 1 | 2 | 3 | 4 | 5 |
| 11. I support board decisions once they are made even if I do not agree with them. | 1 | 2 | 3 | 4 | 5 |
| 12. I promote the work of our organization in the community whenever I had a chance to do so. | 1 | 2 | 3 | 4 | 5 |
| 13. I stay informed about issues relevant to our mission and bring information to the attention of the board. | 1 | 2 | 3 | 4 | 5 |

My overall rating (add together the total of the numbers circled)

Excellent (40+) Satisfactory (28-39) Poor (11-27)

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Board Self-Evaluation Questionnaire

B. How Well Has the Board Conducted Itself?

Circle the response that best reflects your opinion. The rating scale for each statement is: Strongly Disagree (1), Disagree (2), Maybe or Not Sure (3), Agree (4), Strongly Agree (5).

- | | | | | | |
|---|---|---|---|---|---|
| 1. As board members we are aware of what is expected of us. | 1 | 2 | 3 | 4 | 5 |
| 2. The agenda of board meetings are well planned so that we are able to get through all necessary board business. | 1 | 2 | 3 | 4 | 5 |
| 3. It seems like most board members come to meetings prepared. | 1 | 2 | 3 | 4 | 5 |
| 4. We receive written reports to the board in advance of our meetings. | 1 | 2 | 3 | 4 | 5 |
| 5. All board members participate in important board discussions. | 1 | 2 | 3 | 4 | 5 |
| 6. We do a good job encouraging and dealing with different points of view. | 1 | 2 | 3 | 4 | 5 |
| 7. We all support the decisions we make. | 1 | 2 | 3 | 4 | 5 |
| 8. The board assesses its composition and strengths in advance of recruiting new board members. | 1 | 2 | 3 | 4 | 5 |
| 9. The board assumes much of the responsibility for director recruitment and orientation. | 1 | 2 | 3 | 4 | 5 |
| 10. Board members have some interaction with external stakeholders at board meetings (e.g as guests) or between meetings. | 1 | 2 | 3 | 4 | 5 |
| 11. Our board meetings are always interesting. | 1 | 2 | 3 | 4 | 5 |
| 12. Our board meetings are frequently fun. | 1 | 2 | 3 | 4 | 5 |

My overall rating: (add together the total of the numbers circled)

- Excellent (60- 50) Satisfactory (49-35) Poor (34-12)

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Board Self-Evaluation Questionnaire

C. Board's Relationship with Executive Director

Circle the response that best reflects your opinion. The rating scale for each statement is: Strongly Disagree (1), Disagree (2), Maybe or Not Sure (3), Agree (4), Strongly Agree (5).

- | | | | | | |
|---|---|---|---|---|---|
| 1. There is a clear understanding on most matters where the board's role ends and the executive director's begins. | 1 | 2 | 3 | 4 | 5 |
| 2. There is good two-way communication between the board and the executive director. | 1 | 2 | 3 | 4 | 5 |
| 3. The board trusts the judgment of the executive director. | 1 | 2 | 3 | 4 | 5 |
| 4. The board provides direction to the executive director by setting and reviewing policies. | 1 | 2 | 3 | 4 | 5 |
| 5. The board has discussed and communicated the kinds of information and level of detail it requires from the executive director. | 1 | 2 | 3 | 4 | 5 |
| 6. The board has developed formal criteria and a process for evaluating the executive director. | 1 | 2 | 3 | 4 | 5 |
| 7. The board, or a committee of the board, has formally evaluated the executive director within the past 12 months. | 1 | 2 | 3 | 4 | 5 |
| 8. The board evaluates the executive director primarily on the accomplishment of the organization's strategic goals and priorities and adherence to policy. | 1 | 2 | 3 | 4 | 5 |
| 9. The board provides feedback and shows its appreciation to the executive director on a regular basis. | 1 | 2 | 3 | 4 | 5 |
| 10. The board ensures that the Executive Director is able to take advantage of professional development opportunities. | 1 | 2 | 3 | 4 | 5 |
| 11. _____ | 1 | 2 | 3 | 4 | 5 |

My overall rating: (add together the total of the numbers circled)

- Excellent (40+) Satisfactory (28-39) Poor (11-27)

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Best Practices

- Where do I find them?

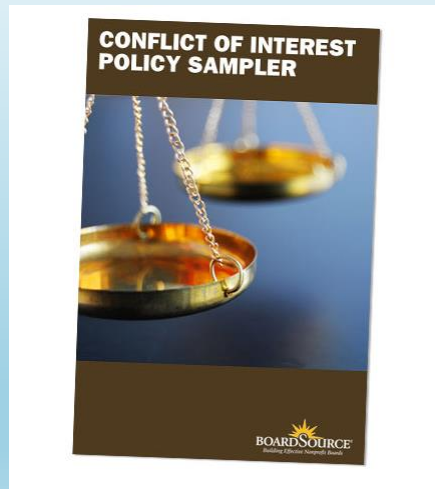


Sample from a Template

	Satisfactory	Could be improved
Communicating as a Board		
5. Officers and directors fully participate in Board discussion of items during the course of the meeting so that proposals can be considered carefully and thoroughly and if appropriate, put to a vote during the meeting		
Suggestions for improvement:		
6. The views of board members expressed at board meetings are received respectfully and considerately		
Suggestions for improvement:		
7. Conflict is managed productively		
Suggestions for improvement:		

SECTION II: BOARD STRATEGIC AND FINANCIAL OVERSIGHT

	Satisfactory	Could Be Improved
Strategic Planning		
1. Board members exhibit an understanding of the association's mission by constantly analyzing whether or not a topic brought up before the board falls within the association's mission. Existing and new committees within the association are also analyzed as to whether or not they are in existence to fulfill the association's long range objectives		
Suggestions for improvement:		
2. The Board agenda has sufficient time allotted to review the status of the association's strategic plan and whether or not it continues to be relevant to the current industry trends and member needs		
Suggestions for improvement:		



What to Avoid Including in Your Bylaws

- Committee descriptions
- Explanations of key concepts
- Staffing matters
- Absolutes
- Ostriching

Board Observers

- Can they or can't they?
- Often left off of bylaws
- Sign in....

Governance Review

- Are you thriving or just surviving?
- When is the last time you conducted one?
- What Board model do you use?

Benchmarking

- Comparing your organizations with high performing Boards
- Use of best Board practices

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The Survey Says...

91% of individuals admit they have day dreamed while at a meeting



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Meeting Management

- Goals
- If you don't have a method of keeping score, how then do you keep score?
- Be More Productive
- Consensus vs. Democratic Vote
- Policy vs. Operational Boards
- Timed Agendas

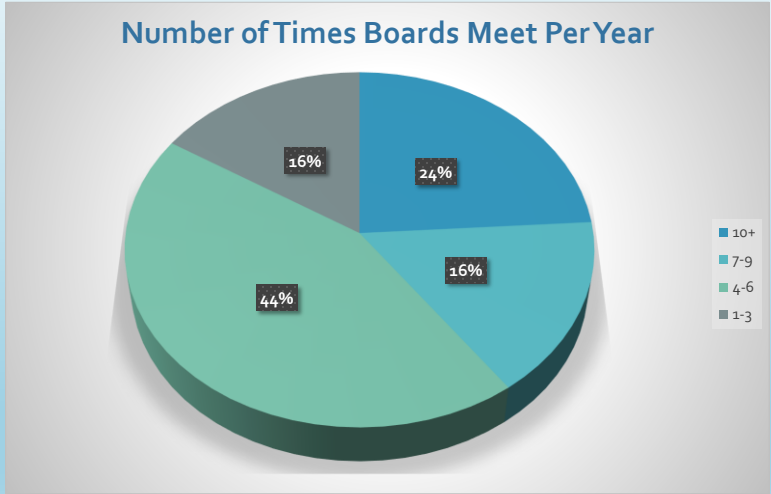


The Survey Says...

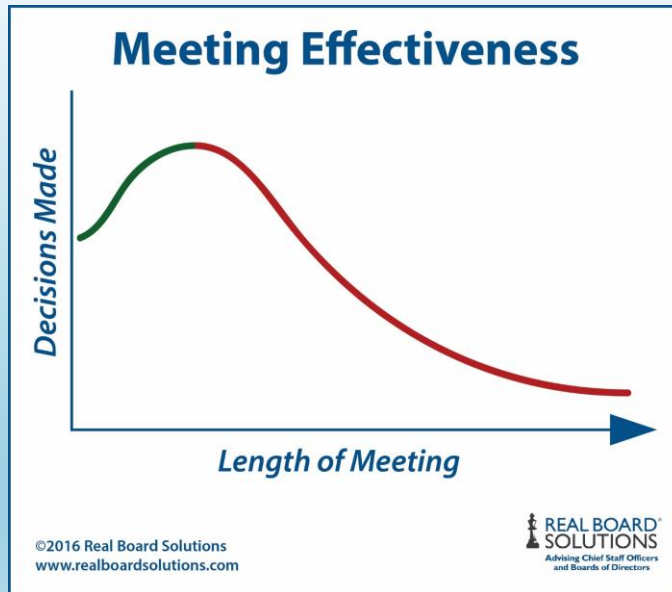
The average meeting goes:

- 45%** felt overwhelmed by the number of meetings they attended
- 73%** did other work in meetings
- 47%** complained that meetings were the **#1** time-waster at the office
- 96%** missed meetings

Number of Times Boards Meet Per Year



Meeting Effectiveness



SAMPLE TIMED AGENDA

Name of Organization
 Meeting of the board (or committee name)
 Date, place, time (start and finish)

6:30 pm	Pre-meeting representation, presentations or orientation
7:00	1. Approval of the agenda
7:02	2. Conflict of interest declarations
7:05	3. Approval of or amendments to the minutes of the last meeting
7:10	4. Business arising from the minutes
7:20	5. Committee reports – motion to receive
7:25	6. Business arising from reports
8:00	7. New business (e.g., new program, organizational restructuring, public complaints – each accompanied by a proposed motion)
8:15	8. Management reports and discussion
8:20	9. Information items (motion to receive)
8:40	10. In-camera items and report back to open meeting (e.g., collective bargaining guidelines; property negotiations – each accompanied by a proposed motion)
8:45	11. Motion to adjourn
	12. Post-meeting debriefing. How did we do? What can we do better next time?



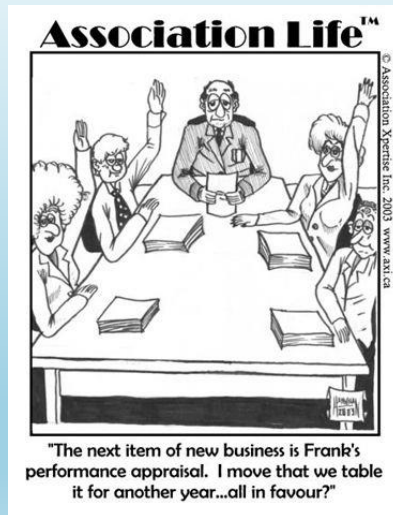
In Camera Meetings (High Confidentiality)

- Legal matters
- Real estate transactions
- Chief Staff Officer compensation reviews
- (Other items)

Strategic Plan

A living document that is used to establish the direction of the organization, its activities, and initiatives.

- The strategic plan may include reference to mission, vision, values, goals, and objectives.
- Is time sensitive, specific and provides accountability





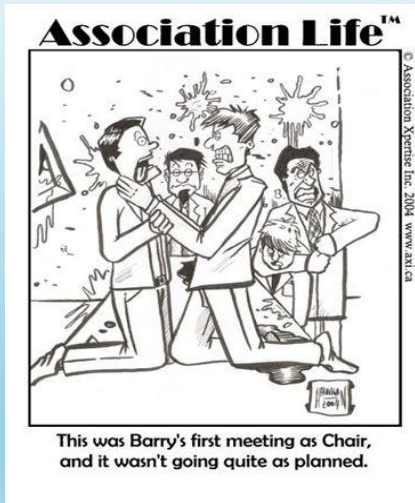
Board Responsibilities Checklist

Planning:

Activity	Responsibility
Direct the planning process	
Provide input to long range goals	
Approve long range goals	
Formulate annual objectives/business plans	
Approve annual objectives	
Prepare performance reports on achievement of goals and objectives	
Monitor achievement of goals and objectives	

Board Responsibilities Worksheet

Activity	Responsibility



Ramifications of Confusion

- Frustration
- Valuable time being wasted
- Projects not being completed
- Micro-managing
- Excess staff turnover
- Devalued member satisfaction
- Loss of revenue
- Loss of relevance

Personnel:

Activity	Responsibility
Employ Chief Staff Officer	Board
Direct work of staff	Staff
Hire/discharge staff member	Staff
Decision to add staff	Board
Settle staff conflicts	Staff

Community Outreach:

Activity	Responsibility
Interpret organization to community	Board
Provide organization linkage with other organizations	Board/Staff





Once the Board Has Made a Decision

- It is not constructive or helpful to the Board if you inappropriately continue to attempt to raise or discuss the matter at other times during the meeting or continue to bring it up at every meeting.
- This is the decision of the Board.

Succession Planning

- Board of Directors
- Other volunteers

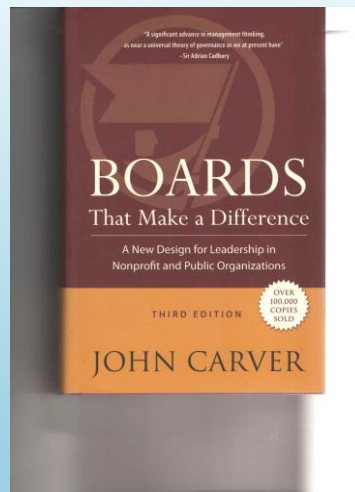
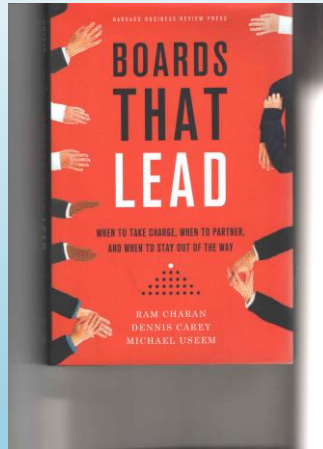
Does Your Association Encourage a Culture of Gratitude?

***"65% of people say they don't feel
appreciated at work/volunteering"***
(Recent 'Gallup' poll)

This feeling leads to:

- Persuasive negativity
- Low morale
- Decreased productivity

??? Recognition Program ???



Faster Succession Tracks



There are 8 key trends reshaping not-for-profits:

1. The nature of change itself
2. Increased demand for outcome accountability
3. Volunteers looking for minimum time involvement, maximum influence, and major benefit
4. Technology's promise, possibilities, expectations and realities
5. A greater degree of generational and multicultural diversity within members' industries and professions, among not-for profit work forces and among members

Emerging Board Trends (Best New Practices)

Emerging Board Trends (Best New Practices)

cont'd

6. Strategic Nominating Committees
7. Faster Succession Tracks
8. Fresh (Outside) Perspectives

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Q & A's

Thank You

When and Why to Have an “In Camera” Board Session

Board Self Evaluation

Post meeting debriefing:

- How did we do?
- What can we do better next time?





Other Not-for-Profit Services Offered By Real Board Solutions

- Board Governance
- Executive Director Coaching/Mentorship
- Board Member Coaching/Mentorship
- Organizational Development
- Recruitment and CSO evaluations
- Not for profit Strategic Planning

For more information call *Terry Clark CAE*, at
1-888-531-5796
(604) 737-9992