GOVERNANCE POLICIES
FOR NON-PROFIT
BOARDS

A GUIDEBOOK

2015
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Board Handbook for Governance

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1.1  Mission and Vision Statement

A MISSION STATEMENT is a statement of the purpose of a company, organization or person; its reason for existing; a written declaration of an organization’s core purpose and focus that normally remains unchanged over time.

Properly crafted mission statements serve as filters to separate what is important from what is not, clearly state which markets will be served and how, and communicate a sense of intended direction to the entire organization.

A VISION STATEMENT is sometimes called a picture of your company in the future but it is so much more than that. Your vision statement is your inspiration, the framework for all your strategic planning. What you are doing when creating a vision statement is articulating your dreams and hopes for your business. It reminds you of what you are trying to build.

The Board sets the tone for the organization and directs the organization’s future by developing policy and STRATEGIC DIRECTION, which is the overarching goal.
1.2 Board Bylaws

All organizations that incorporate are required to establish by-laws with respect to specific matters. These are usually matters that relate to the functioning of the board and its relationship to members. In Newfoundland and Labrador, by-laws are required and must be kept on record; however they are not filed with the Registry of Deeds and Companies of the provincial government.

The bylaws of the organization are those policies that cannot be adopted or changed without approval of the membership (2/3 in Newfoundland and Labrador) at a general meeting and any changes must be reported to the appropriate government department. Bylaws may include a statement on how the board of directors was formed; when and how future directors will be elected; an outline of the board’s powers and duties; or the process for setting up committees and their powers.

Bylaws set out the way in which the real people that constitute the "artificial person" or "corporation" can "speak." They set out the conditions under which the board can be considered to have spoken. They must be consistent with the requirements of Articles of Incorporation, Letters Patent, or other legislation that provides authority for the organization’s existence.

Since bylaws are more difficult to amend than policies, they are best kept brief and to the point, so that they act as an "enabling" document for the board. In organizations made up of members, Bylaws also provide a means for the members to limit the authority of the board. However, too many limits can hamstring the board, preventing it from governing effectively, just as too many limits from the board can negatively affect the CEO’s ability to achieve ends.

Typically, bylaws in most organizations contain more detail than is necessary. While there is no one "right way" to create bylaws, here are some general tips in the following chart.

Issues relating to committees created by the board (rather than by membership), and issues relating to staff, are better handled in policy.
BYLAWS

For organizations with a membership, bylaws would also include:

- Organization's name and general mandate
- Board composition, selection and size
- Length of board member term and tenure
- Conditions for removing someone from the board
- Quorum for the Board
- Selection of Officers
- Ability of the board to delegate authority
- Fiscal year
- Requirement for external audit
- Conditions and process for dissolution of the organization
- Conditions for amending bylaws
- Categories of membership
- Voting privileges
- Committees created by a membership, such as a nominating committee
- Frequency and notice regarding annual meetings
- Outline of conditions for creation of subdivisions of the membership, such as branches or chapters
1.3 Policy

General policies should be set that are subject to change by the board of directors at any time. Indeed, it is in the interest of most voluntary and non-profit organizations to limit the number of policies designated as formal "bylaws" and focus their attention on creating other key policies.

This gives the board of directors the flexibility and opportunity to identify the organizational practices that are important to them in such a way that they can be easily modified when the need arises. This is often referred to as "governing by policy".

### KEY AREAS FOR POLICY SETTING

| • Organizational mission, objectives and values |
| • Role and responsibilities of the board |
| • Board decision-making and meeting practices (usually covered partially by bylaws) |
| • Board member conduct |
| • Conflict of interest |
| • Role, responsibilities and authority of the Executive Director/CEO |
| • Financial management |
| • Accountability to members, stakeholders and community |
| • Personnel, hiring and other human resource practice |
| • Treatment and protection of consumers, customers, clients or users |
| • Fundraising (including ethical considerations) |
| • Advocacy and public education |
2.1 Governance Principles

Directors play a critical part in achieving their organization’s outcomes, giving up their time, most often voluntarily, to bring a wide range of skills to the oversight, management, fundraising and day-to-day operations of the organizations they govern. Good governance can offer a number of important benefits, including:

- Better organizational strategies and plans.
- Improved operational effectiveness.
- More prudent regulatory compliance, financial and risk management.
- Improved member and stakeholder engagement and communication flow.
- Increased likelihood and degree to which an organization actually delivers on its purpose.

Effective governance structures allow organizations to create value, through innovation, development and exploration, and provide accountability and control systems commensurate with the risks involved.

**TEN PRINCIPLES THAT PROMOTE GOOD GOVERNANCE**

- Rules and Responsibilities: The need for clarity
- Board Composition: The right group of people
- Purpose and Strategy: an appropriate vision, purpose and set of strategies
- Engagement: Effective stakeholder engagement
- Culture and Ethics: A healthy culture in the boardroom and throughout the organization.
- Organization Building: Build and maintain organizational capability to deliver on purpose.
- Integrity and Accountability: The right information at the right time
- Board Effectiveness; Appropriate board structures and processes
- Organizational Performance: A focus on effective use of resources.
2.2 Recruitment of Directors

Once your non-profit organization is past its founding stage, finding new board members can be a challenge. The responsibility for thinking about and recruiting new directors belongs to the whole board even if a committee is charged with the work. Here are some ideas to assist your board in being more successful with board recruitment.

It is important to recognize that there are some obstacles to people joining your board, most of which you can easily, if not quickly, address with the suggestions here.

THE MAIN OBSTACLES TO SUCCESSFUL RECRUITMENT OFTEN ARE:

- People know little about your particular organization or the people involved
- Many will not be sure what contribution they are able to make, what you believe they add to the board team, and what they can reasonably expect from others involved (board members and staff). Those without board experience may feel intimidated by the mere idea of becoming a board member
- People may have experience on other boards but it may not be good experience. Perhaps they have attended too many unfocused board meetings or have joined a board only to discover the organization had some internal conflicts.
- Some candidates will not have the time; perhaps they are already heavily committed to another community organization or are at a stage in their life when career and/or family commitments are heavy. Some people may say they do not have the time when one of the other factors is really standing in the way of them saying yes.

A successful board recruitment effort depends on there being a reasonable organizational foundation in place. Your organization’s work in the community must be valued and generally understood beyond the present board and staff group. The existing board must also be willing to devote some time, inside and outside of meetings, leading the board recruitment process; it really should not be a staff job. Your board meetings need to be relatively well run and well attended. In other words, it is important that there already is at least a small core of committed board members.
2.3 Role of the Board/Board Job Descriptions

THE ROLE OF DIRECTORS
The board of directors of a not-for-profit corporation is responsible for the management of the corporation. In general terms, this means that the board is responsible for supervising senior staff, providing strategic planning to the corporation, and developing and implementing corporate policy. Board members must be (or at least must become) knowledgeable about the business and financial affairs of the corporation. Where the corporation is a charity, the board has a heightened duty of care with respect to the protection of its charitable property.

In discharging its mandate to manage the corporation's affairs, the board must comply with the objects of the corporation as stated in the articles of incorporation and with the by-laws of the corporation. The board must also comply with the articles of incorporation for Newfoundland and Labrador, and the rules established under the common law (the law established by courts) governing directors' duties.

LENGTH OF TERMS
Board members often serve anywhere from two to four years. Terms generally expire on a staggered basis so that new members are not all elected at the same time.

BOARD COMMITTEES
Temporary committees may be formed to help focus the board on specific issues, and make constructive recommendations for board decisions. One of the first committees established is often the nominating committee, which selects candidates for board vacancies. The nominating committee could be a permanent, ongoing committee, with its responsibilities clearly spelled out in the bylaws or in a board resolution. Other standing committees may include finance or budget, audit, human resources, policy, executive evaluation, and a building or facilities committee.

WHO ELECTS BOARD MEMBERS?
The board is elected by the membership; however, the board may appoint other board members. The board executive is usually elected by the board and is made up of past-Chairperson, Chairperson, vice-Chairperson(s) and secretary-treasurer.

BOARD MEMBERS
In determining what you need from directors, it’s a good idea to make a list of current board members and the skills you require. By cross-
referencing, you can assign specific duties to existing board members and determine what deficiencies need to be filled.

You may want to consider encouraging both an accountant and lawyer to sit on your board. These professionals have specific knowledge that can be helpful to your organization. Keep in mind that while the advice and insight gained may be useful, conflicts of interest may prevent them from representing your organization in any official capacity.

THE DUTIES OF DIRECTORS
When individuals accept a board position they carry a certain responsibility known as duty of care.

Directors are required to exercise their power with competence (or skill) and diligence in the best interests of the corporation. They owe what is called a fiduciary duty to the corporation. The duty is a fiduciary duty because the obligation to act in the best interests of the corporation, at its core, is an obligation of loyalty, honesty and good faith.

DUTY OF CARE

- Directors cannot abandon responsibility to be in charge and to direct.
- Directors should validate major contracts by giving and recording formal approval.
- Directors should make sure the organization is operating within a legal framework.
- Directors have legal responsibility to protect assets.
- Directors should attend board meetings. Absence from a meeting does not necessarily free a director from responsibility for decisions made. Frequent absence may increase liability because she/he cannot demonstrate a serious commitment to the obligations of the position.
- While a director has the right to rely on information, accuracy and integrity of others they must use reasonable judgment in this area as well.
- A conscientious performance is the standard and directors should strive to do everything correctly.
- The assumption in law is not that directors make a correct decision, but that they make a decision correctly. It helps to show that the board made serious consideration before the action was taken. Board minutes should reflect this.
BOARD JOB DESCRIPTIONS

Many board members serve for months before they really understand what they are supposed to do. This confusion can waste valuable time and energy for your organization.

Clearly written job descriptions cut through the confusion. The first job description to develop is for the general board member. This job description applies to every member of the board. Your board member’s job description may be simple or complex, depending on your organization.

The job description contains the following information:

- **Position** – What is the job title?
- **Authority** – What authority does the position have?
- **Responsibility** – Who is it accountable to? What are the broad areas of responsibility?
- **Requirements** – What is expected of board members?

When you use the job description to recruit board members, add three pieces of information:

- **Qualifications and Skills**
  What specialized or practical skills are needed to do the job? What human relation skills, such as communication and problem solving, are needed?

- **Benefits**
  What benefits can a board member expect to receive? This might include: Satisfaction of making a difference in the community; Opportunity to work with individuals of diverse backgrounds; Development of effective decision making skills; and increased understanding of group dynamics and relationships.

- **Time and Financial Requirements**
What is a realistic estimate of the time required to be a board member? What will it cost to be a board member?

### 2.4 Governance Style

Nonprofit boards tend to follow one of five different approaches to governance. Each approach emphasizes different dimensions of the roles and responsibilities of the board and each arises out of a different relationship between board members and staff members. These in turn reflect differences in the size, purpose, and history of the organization. These approaches can be called the Advisory Board Model, the Patron Model, the Co-operative Model, the Management Team Model, and the Policy Board Model.
**ADVISORY BOARD MODEL**

This model emphasizes the helping and supportive role of the Board and frequently occurs where the CEO is the founder of the organization. The Board's role is primarily that of helper/advisor to the CEO.

Board members are recruited for three main reasons:

1. they are trusted as advisors by the CEO
2. they have a professional skill that the organization needs but does not want to pay for
3. they are likely to be helpful in establishing the credibility of the organization for fundraising and public relations purposes

Individual board members may be quite active in performing these functions and consequently feel that they are making a valuable contribution to the organization.

Board meetings tend to be informal and task-focused, with the agenda developed by the CEO.

The Advisory Board model can work well for a short time in many organizations but it exposes the board members to significant liability in that it fails to provide the accountability mechanisms that are required of boards of directors. By law, the board has the obligation to manage the affairs of the organization and can be held accountable for certain actions of employees and committees. It must therefore maintain a superior position to the CEO. Although the board is permitted to delegate many of its responsibilities to staff or committees, it cannot make itself subordinate to them.

**PATRON MODEL**

Similar to the Advisory Board model, the board of directors in the Patron Model has even less influence over the organization than an advisory board.

Composed of wealthy and influential individuals with a commitment to the mission of the organization, the Patron Board serves primarily as a figurehead for fund raising purposes.

Such boards meet infrequently as their real work is done outside board meetings. Writing cheques and getting their friends to write cheques is their contribution to the organization.

Many organizations maintain a Patron Board in addition to their governing boards. For capital campaigns and to establish credibility of a newly formed organization, Patron Boards can be especially helpful.
They cannot be relied upon, however, for governance tasks such as vision development, organizational planning, or program monitoring.

**COOPERATIVE MODEL**

For a number of different reasons, some organizations try to avoid hierarchical structures. The decision-making structure in such organizations is typically labelled *peer management* or *collective management*.

In this model, all responsibility is shared and there is no CEO. Decision-making is normally by consensus and no individual has power over another.

If the law did not require it, they would not have a board of directors at all. In order to be incorporated, however, there must be a board of directors and officers. The organization strives to fit the board of directors into its organizational philosophy by creating a single managing/governing body composed of official board members, staff members, volunteers, and sometimes clients.

Seen by its advocates as the most democratic style of management, it is also, perhaps, the most difficult of all models to maintain, requiring a shared sense of purpose, an exceptional level of commitment by all group members, a willingness to accept personal responsibility for the work of others, and an ability to compromise.

When working well, the organization benefits from the direct involvement of front-line workers in decision-making and the synergy and camaraderie created by the interaction of board and staff.

When not working well it can highlight the inability for compromise and the loss of a shared common goal when the original members leave.

**MANAGEMENT TEAM MODEL**

Most nonprofit organizations are run by boards which organize their committees and activities along functional lines. In larger organizations, the structure of the board and its committees usually mirrors the structure of the organization’s administration.

Just as there is staff responsible for human resources, fund-raising, finance, planning, and programs, the board creates committees with responsibility for these areas.
Where there is no paid staff, the board's committee structure becomes the organization's administrative structure and the board members are also the managers and delivers of programs and services.

Individually or in committees, board members take on all governance, management and operational tasks including strategic planning, bookkeeping, fund-raising, newsletter, and program planning and implementation.

This model fits well with the experience of many people as volunteers in community groups like service clubs, Home and School groups, scouts and guides, and hobby groups. It also mirrors the processes involved in the creation of a new organization or service.

Generally, these kinds of boards enjoy a high degree of involvement in the operational and administrative activities of the organization. However, sometimes board members refuse to delegate authority, believing that their role requires them to make all operational decisions, leaving only the implementation to paid staff.

**POLICY BOARD MODEL**

All policy board models share the view that the job of the board is to establish the guiding principles and policies for the organization; to delegate responsibility and authority to those who are responsible for enacting the principles and policies; to monitor compliance with those guiding principles and policies; and to ensure that staff, and board alike are held accountable for their performance.

Boards operating under the Policy Board Model are characterized by a high level of trust and confidence in the CEO. There are relatively few standing committees, resulting in more meetings of the full board. Board development is given a high priority in order to ensure that new members are able to function effectively, and recruitment is an ongoing process. Members are recruited for their demonstrated commitment to the values and mission of the organization.
2.5 Fundraising Policy

In recent years, with the overwhelmingly generous response of the public to global and national tragedies and disasters, coupled with the ongoing needs of non-disaster relief organizations, fundraising challenges have multiplied. In addition, the nonprofit sector has faced increased, yet appropriate, scrutiny by government regulators and individual donors alike.

In the United States, the passage in 2002 of the Sarbanes-Oxley Act created an environment of greater self-examination and accountability within nonprofits. This American law, while focusing on corporate governance and financial accounting practices, has led many nonprofits around the world to review, evaluate and change the ways they operate.

Nonprofit leaders must understand that public trust is vital to the sector’s mission, and their organizations must be transparent and accountable to donors, stakeholders, government agencies and future patrons to succeed. Research and media reports throughout the world suggest the importance of donor trust and indicate a direct correlation between public confidence in an organization and its level of support.

Key to gaining that donor trust is keeping to established guidelines for handling donations and other business practices. Developing Fundraising Policies and Procedures for nonprofit organizations’ development-related activities are critical not only for showing they adhere to ethical fundraising practices, but also for enhancing relations with donors and funders and improving development staff efficiency and effectiveness.

Consult the booklet Developing Fundraising Policies, from the Association of Fundraising Professionals for more details and a step by step guide to fundraising. Link: Developing Fundraising Policies
2.6 Role of the President

The following generic job description can be used for a President/Chair, and modified as needed by your specific organization.

GENERAL RESPONSIBILITIES

The President is responsible for ensuring that the Board of Directors and its members are aware of and fulfill their governance responsibilities; comply with applicable laws and bylaws; conduct board business effectively and efficiently; are accountable for their performance.

In order to fulfill these responsibilities, and subject to the organization's bylaws, the President presides over meetings, proposes policies and practices, sits on various committees, monitors the performance of Directors and Officers, submits various reports to the board, to funders, and to other "stakeholders"; proposes the creation of committees; appoints members to such committees; and performs other duties as the need arises and/or as defined in the bylaws.

ACCOUNTABILITY

The President is accountable to the Board of Directors or Members as specified in the bylaws. The President may delegate specific duties to the Executive Director, Board members and/or committees as appropriate; however, the accountability for them remains with the President.

SPECIFIC DUTIES
The President may have specific duties as outlined by the Board of Directors. Some duties may include talking to media and press regarding the work of the organization, or making final decisions of the board. The President acts as the face of the organization and as such is generally the public representative, for example: making presentations at award ceremonies. The President, as head of the organization, is also the person who must assume responsibility for the actions of the board and the activities of the organization.

MEETINGS

The President ensures that an agenda is planned for board meetings. This may involve periodic meetings with committee chairpersons and the Executive Director to draft annual and meeting agendas and reporting schedules.

The President presides over meetings of the Board of Directors. In this capacity, the President:

- chairs meetings according to accepted rules of order for the purposes of encouraging all members to participate in discussion; and
- arriving at decisions in an orderly, timely and democratic manner;
- votes as prescribed in the bylaws. In boards that operate with an executive committee, the President performs the above duties for the executive committee.

BOARD COMMITTEES

The President serves as an ex-officio member of board committees specified in the bylaws. In this capacity, the President's role is

- to serve as a voting member of the committee (if specified in the bylaws);
- to negotiate reporting schedules;
- to identify problems and assist the committee chairperson to resolve them, and if necessary, to bring them to the attention of the Board of Directors.

BOARD-STAFF RELATIONS

The President is the primary liaison between the Board and the executive director. In this capacity, the President:

- meets periodically with the executive director;
ensures that periodic performance reviews of the executive
director are conducted;
participates in the hiring and evaluation of the executive
director.

COMMUNITY RELATIONS

The President ensures that the organization maintains positive and
productive relationships with media, funders, donors, and other
organizations. In this capacity, the President serves as primary
spokesperson for the organization Duties may include:

- representing the organization to the media;
- representing the organization on governmental or
nongovernmental organizations and committees;
- timely and appropriate reporting of Board decisions and actions
to members and/or funders and/or donors.

SIGNING OFFICER

The President is normally designated by the Board of Directors and/or
bylaws as one of the signing officers for certain documents. In this
capacity, the President may be authorized or required to sign or
countersign cheques, correspondence, applications, reports, contracts
or other documents on behalf of organization.

BOARD DEVELOPMENT

The President ensures that structures and procedures are in place for
effective recruitment, training, and evaluation of board members.

FUND RAISING

The President ensures that structures and procedures are in place for
securing the resources required by the organization. Depending upon
the organization, this may require the President to play a leadership
role in fundraising campaigns through personal contributions of services
and money.

DELEGATION

Depending upon the organization's needs and its bylaws, the President
may establish or propose the establishment of committees of the
Board, and may assign tasks and delegate responsibilities to board
committees and/or directors.
2.7 Board Committees and Mandates

For many non-profit organizations, committees are a common means for getting governance work done.

Committees can be useful for studying an issue in order to make recommendations, taking on a project or organizing an event. Committees are a valuable mechanism for involving people, sharing the work, ensuring that different perspectives are incorporated and cultivating volunteer leaders.

Committee meetings on top of board meetings however, are often one of the causes of burn out of volunteer directors. The expectation of meetings upon meetings can make it harder to recruit people to the boards in the first place.

Committees can also waste valuable volunteer and staff time when their work is subject to a thorough re-examination by the board itself. There is far too much experience in the nonprofit sector with committees that always have the same board members on them because no one else will volunteer and committees that exist on paper but seldom or never meet.

Research on teams and task group effectiveness in organizations suggests the following would be good advice to boards of directors thinking about setting up a committee:

BEFORE SETTING UP A COMMITTEE

1. IS IT GOVERNANCE OR OPERATIONAL?
2. WHAT IS ITS PURPOSE?
3. CAN IT BE MADE SHORT-TERM OR ONE OFF?
4. BROADEN THE SCOPE
5. CAN YOU DO TASKS INSTEAD?
6. HAVE A CLEAR DIRECTION AND TIME FRAME
7. ENSURE CLEAR FOCUS
8. DO YOU NEED AN EXECUTIVE COMMITTEE?
9. DO YOU NEED A PERSONNEL COMMITTEE?
10. EVALUATION GROUPS SHOULD BE SEPARATE FROM COMMITTEES
11. DO YOU NEED A FINANCE COMMITTEE?
12. BE CLEAR WITH FUNDRAISING COMMITTEES
13. ADVOCACY COMMITTEES CAN BE ATTRACTIVE IF DONE RIGHT
1. **Before setting up a committee**, consider whether the issue is really a governance or operational issue. There may not always be a clear answer, but the question is a good one to consider. If the former then the group ought to report to the board. If the latter is needed maybe it ought to exist as an advisory group to the executive director.

2. **Consider the composition of the committee** in relation to the work it does. Is it more effectively done by board members alone, board members and staff working together, or board members, staff and perhaps other volunteers - outside resource people with special expertise? The fact that directors are members does not necessarily turn it into a governance or “board” committee.

3. **Avoid**, with few exceptions, establishing standing committees with broad responsibilities and no specific deadlines or performance expectations. It may be better to re-establish and repopulate a committee when a particular piece of work needs to get done. Consider short time frames for committee work – two or three months, six at the outside.

4. **Broaden the language** of small group governance work and the practice will likely follow. Utilize, for instance, the terms “ad hoc committee”, study group and project team.

5. **Consider asking individuals** on the board to take on tasks on rather than setting up a committee as a way to make the job seem easier. Committees themselves create coordinating work and some tasks are just as well done by one person, especially where research is the main activity and the information has to come back to the board anyway.

6. **If the board wants to set up a group** to look at an issue, give the group clear direction and a time frame. It may seem more democratic to let a team of people determine their own mandate but a lack of clarity can make it more difficult to recruit members, determine who should be on it and who else it might consult as part of its work. At the very least the board can support a small group performance by asking that it report back early on with some goals and a rough work plan.

7. **Ensure that any standing committees** you do have are focused on governance work. The most obvious of area of governance work is board recruitment and a “recruitment and nominations committee” whose horizon extends beyond the next AGM and whose mandate is one of strategic recruitment and board
succession planning is one grouping whose mandate should be an ongoing one.

8. **If you have**, or are considering setting up, an executive committee, the Board as a whole should formally decide how much power it should have. More and more non-profits are doing away with executive committees both because they lead to a sense of there being an inner circle of power and they tend to get caught up in operational issues. An executive committee whose primary focus is on planning board meeting agendas and the annual calendar can be useful. Indeed an executive committee focused on effective governance would take on the leadership role in policy development, board orientation, education and evaluation.

9. **Think carefully** about whether to set up a personnel committee or, if you have one, whether it should continue. Of all committees, none is a more likely to second guess the executive director and take on a micro-managing role. You might consider instead a HR policy committee as an ad-hoc group to develop a personnel policy. You could also consider an executive director evaluation committee to work with the ED to determine evaluation criteria and processes – a best practices research exercise.

10. **Appoint a separate group** to conduct the evaluation. If you have directors interested in being on a personnel committee, especially individuals with HR experience, consider establishing it as an operational committee to advise the ED on personnel practices and assist in hiring.

11. **For the same reason, be cautious** about establishing a finance committee. Instead, you might consider, as ad hoc committees, a financial policy committee (to create a policy), an annual budget committee and an audit committee each with specific and different mandates.

12. **If your board is involved in fundraising** you will want to consider a fundraising committee. Here too you will want to be very clear about its role. Will its work be focused on organizing fund raising events, the cultivation of members and individual donors or securing government or foundation resources for a new program? Each of these activities might be better dealt with by a separate committee.

13. **If your Board** is going to provide the leadership on public or stakeholder awareness and policy advocacy (keeping in mind that there are restrictions on advocacy work by charities in
Canada), an advocacy committee of the board may also be of value. A committee focused on a particular campaign or initiative might be more attractive to volunteers.

2.8 Board Member Code of Conduct

The Board is committed to effective decision-making and, once a decision has been made, speaking with one voice. Towards this end board members will:

- Reflect their understanding of member and stakeholder interests
- Represent one’s own view as an individual view (“my own thinking on this is that…”)
- Endeavour to build on other’s ideas or offer alternative points of view as options to be considered and invite others to do so too.
- Refrain from trying to influence other board members outside of board meetings that might have the effect of creating factions and limiting free and open discussion.
- On important issues, be balanced in one’s effort to understand other board members and to make oneself understood.
- Once made, support and defend, board decisions, even if one’s own view is a minority one.
- Do not disclose or discuss differences of opinion on the board outside of board meetings, especially with staff or members (For this reason information on who votes for and against any particular motion will not be recorded in meeting minutes unless a director requests it).
- Respect the confidentiality of information on sensitive issues, especially in personnel matters.
- Refrain from speaking for the organization unless authorized to do so by the board.
- Disclose one’s involvement with other organizations, businesses or individuals where such a relationship might be viewed as a conflict of interest (see Conflict of Interest Policy).
- Refrain from giving direction, as an individual board member, to the executive director or any member of staff.
- Do not go behind the executive director’s back to seek information for the purpose of evaluating his/her performance.
2.9 Annual Agenda/Strategic Plan

There is a broad agreement among not-for-profit leaders and experts that planning is a critical component of good management and governance. Planning helps ensure that an organization remains relevant and responsive to the needs of its community, and contributes to organizations stability and growth.

It provides a basis for monitoring progress and for assessing results and impact. It facilitates new program development. It enables an organization to look into the future in an orderly and systematic way.

From a governance perspective, it enables the board to set policies and goals to guide the organization and provides a clear focus to the Executive Director and staff for program implementation and agency management.

A strategic plan must be based on a realistic assessment of resources, include all stakeholders, include ways to evaluate the plan’s success, and lead to long-term commitment.

Strategic planning determines where a community group or organization is going over the next year or more, how it's going to get there, and how it'll know if it got there or not.

Strategic planning can be carried out as a specific job or can be the role of a trained facilitator who is experienced in guiding groups through the process so that they create their own plan.

Organizational Readiness
In order to be effective, the strategic planning process should be undertaken when the organization recognizes that it is necessary to undertake the process to address a community or organizational need.

Planning should be carried out:
- when organization is starting out
- when organization’s mandate has changed or is about the change
- on an annual or regular basis

Organizational Commitment
While an organization may be ready to get involved in the strategic planning process, the board or community must also be commitment to engaging in planning.

Planning also requires:
Board/Volunteer commitment - Does the board and its members understand and support the process?

Staff commitment - Does staff understand and support the process?

Community commitment - Does the community understand and support the process?

Organizational Capacity
Strategic planning involves time and resources so before embarking on any plan, the organization must ensure that it has the capacity to complete the project and that includes human resources, financial resources, and time.

The Department of Business, Tourism, Culture and Rural Development, Government of Newfoundland and Labrador has a free facilitator guide for strategic planning available online, and has funding available for community capacity building. Visit the government website to apply for the services of a professional facilitator for strategic planning.

2.10 Communications

A communications strategy is designed to help you and your organization communicate effectively and meet core organizational objectives. Here we look at the key elements of a communications strategy as well as how press/PR plans, web strategies and marketing plans fit into your organization’s overall communications strategy.

WRITING YOUR COMMUNICATIONS STRATEGY

1. STATEMENT OF PURPOSE
2. YOUR CURRENT SITUATION
3. ORGANIZATIONAL AND COMMUNICATIONS OBJECTIVES
4. IDENTIFYING STAKEHOLDERS
5. MESSAGES
6. KEY COMMUNICATIONS METHODS
7. WORKPLAN
1. STATEMENT OF PURPOSE
It is useful to say up front why you have developed a communications strategy and what you hope to achieve with it. This does not need to be very detailed; it acts as a reference and reminder for those using it in their work.

2. YOUR CURRENT SITUATION
The introductory part of the communications strategy should briefly outline what your organization does, what its main functions are and where it operates. It should also look at your organization’s communications strengths – what has been successful and what hasn’t worked well over the last five years or so.

3. ORGANIZATIONAL OBJECTIVES AND COMMUNICATIONS OBJECTIVES
Any communications strategy should closely reflect your overall organizational plan. In this section you should look at your organization’s overall vision and core aims and objectives. You should then suggest how communications can help deliver these goals.

As well as referring to specific objectives, this section should give an overall sense of the principles of communications that underpin the strategy and the key messages that the organization wants to convey.

It is important that your communications objectives should be seen to contribute to the achievement of the overall objectives of the organization. In this way they will be recognized not as an “add-on”, but something as fundamental as operational or policy objectives to achieving the organization’s overall mission.

4. IDENTIFYING STAKEHOLDERS
In this section, you should give a detailed description of your main audiences – both external and internal. These might include the public, politicians, service users and staff. You might also refer to potential audiences that your organisation is keen to connect with.

Many organizations will find that they have lots of audiences who they need to interact with. One part of the strategy might look at which audiences will be interested in which parts of your organization or activities. Understanding this may make it easier to prioritize your communications work.

5. MESSAGES
Once you have identified your audiences, the next task is to break down your objectives into relevant messages for each of those audiences. Start with the audiences that are the highest priority.

Remember that your messages should be relevant and appropriate to the audience. You might want to speak to your supporters and donors in
much more forthright language than you would use for local authorities or other funders. But it is very important that there is continuity across the messages. It is important that all of your stakeholders understand what kind of organization you are, so your messaging needs always to link back to your key organizational objectives and values.

6. KEY COMMUNICATIONS METHODS
For each audience identified in your previous section, you should now indicate the most appropriate channels for communicating with them. These might include an e-bulletin, conference, workshop, leaflet, press release, event – or broader methods such as media and your website.

There are pros and cons to all of these channels, which will vary depending on your organizations’ needs and resources. Try a simple internal analysis of the channels you have at your disposal to see which ones are the best to use for getting specific messages to particular audiences.

7. WORKPLAN
With your audiences and key communications methods identified, the next step is to draw up a table that indicates the key communications activities, budget and resources allocated to delivering the strategy.

The work plan should also include proposed timescales and identify particular milestones within the strategy. This will allow you to measure clear steps towards ultimate goals.

There may be specific projects, events or publications that you know will take place and these should be highlighted.

Your communications strategy should conclude with a section on evaluation. What does success look like and how will you know when objectives have been met?

Here you should indicate the tools you will use to evaluate various sections of your communications. These could be simple measures such as the number of responses to e-bulletins, hits to your website or increases in donations following a mail-out. They could be focused on policy changes, for example have the key calls of your campaign been achieved? You could also include measures of media coverage; not only in terms of volume, but also breadth and depth. How often were your key messages mentioned and has there been a shift in public attitude on issues you’ve been campaigning for?
2.11 Board Self-Assessment

The following questions can be used to rate how well a board is functioning. The questions are basic, but, if the evaluation is conducted with everyone’s participation, the answers should indicate how the board is doing in conducting its role.

Each member and senior staff should complete all questions. Ideally, someone from outside of the organization should receive the responses, collate the results and write a report of the findings.

- Does the board have a full understanding of its role and responsibilities?
- Do board members understand the organization’s mission, products and programs?
- Is the structural pattern (board, officers, committees, executive and staff) clear?
- Does the board have clear goals and actions resulting from relevant and realistic strategic planning?
- Does the board attend to policy-related decisions to effectively guide the operational activities of staff?
- Does the board receive regular reports on finances/budgets, products/program performance and other important matters?
- Does the board help set fundraising goals and is actively involved in fundraising?
- Does the board effectively represent the organization to the community?
- Do board meetings facilitate focus and progress on important organizational matters?
- Does the board regularly monitor and evaluate progress toward strategic goals and product/program performance?
- Does the board regulate, evaluate and develop senior staff?
- Has the board approved comprehensive personnel policies, which have been reviewed by a qualified professional?
- Does each member of the board feel involved and interested in the board’s work?
- Are all necessary skills, stakeholders and diversity represented on the board?
3.1 Delegation to Executive Director and Their Job Description

With respect to providing information and counsel to the Board, it is expected that the executive director will do the following. This information can help formulate a job description.

- Ensure that the information provided is relevant to the mission, ends and strategic objectives of the organization for which he/she is accountable.
- Ensure that the board is aware of relevant trends in the community which affect the assumptions upon which the mission or current strategic objectives of the organization have been founded.
- Advise the board if, in the executive director’s opinion, it is not in compliance with its own policies, roles and responsibilities, especially when the board’s behaviour may be detrimental to the relationship between the board and the executive director.
- Marshal a diversity of points of view and opinions needed for informed board choices.
- Inform the board of any external complaints or adverse media coverage which may affect the reputation of the organization.
- Inform the board of any internal complaints, grievances or other conflicts which may impact on the organization’s performance.
- Deal with the board as a whole except when responding to officers or board committees with specific responsibilities.
- Provide information relevant to the creation and review of board policies (board level operational policies).
- Report in a timely matter any actual or anticipated noncompliance with any policy of the board.
3.2 Monitoring Executive Director’s Performance

Since the relationship between the executive director and the board is important to the success of the organization, it is essential to keep lines of communication open. The best means of communicating a clear direction is by ensuring the executive director is given an annual performance appraisal. Performance reviews are not just a once-a-year event focused on an interview, but should be a continuous process that is forward-looking and helps clarify communications and expectations.

Once again, a board committee can be created to undertake the executive director’s performance appraisal. However, the performance appraisal and any remuneration changes must be taken to the full board for approval, before they can be confirmed with the executive director.

While the board may see any materials developed during this process, it is important to share the committee’s comments on how well the executive director had met goals and expectations up to the point of the appraisal, as well as identifying any new expectations going forward. The committee should be able to make a compelling case to the rest of the board for any form remuneration increase.

If an executive director is meeting expectations, the performance appraisal is generally a positive experience for all involved. However, if there are challenges to address, the committee, and the entire board, must be diligent in their process.

It is important for the committee and/or entire board to go through the performance appraisal process. Upon completion, all comments on expectations shared at the appraisal meeting should be prepared in a written format, as well as the areas of change expected by the board, by an expected date. The document is then signed by the executive director and the board chairperson to confirm a shared understanding. The document is given to the executive director, and a copy is retained in the Board’s file.

If more action is required, it is best for the board to obtain legal counsel before moving forward with any action.
4.1 General Executive Constraint

EXECUTIVE COMMITTEE DEFINED

The executive committee can be the most important of all committees within a voluntary, community-based organization. An executive committee manages the operations of the board of directors and usually has some decision-making authority. The authority of an executive committee is derived from an organization’s by-laws and these will vary accordingly.

The executive committee is usually comprised of the President, Vice-President, Treasurer and Secretary of the Board. Membership may also be extended to other sub-committee chairs.

EXECUTIVE COMMITTEE DUTIES

The executive committee usually has the authorization to act and make decisions on behalf of the entire board. They may be called upon to make decisions surrounding issues that arise between regularly scheduled board meetings and they may be responsible for other activities such as conducting an evaluation of the executive director. The executive committee is obligated to present their actions to the entire board if a decision has been made in their absence.

DOES EVERY BOARD OF DIRECTORS NEED AN EXECUTIVE COMMITTEE

No, not every non-profit or voluntary, community-based organization needs an executive committee. Executive committees are usually required when an organization has a large number of board members. A smaller sub-committee will often be more efficient for issues that do not require the attention of the entire board.

BENEFITS OF HAVING AN EXECUTIVE COMMITTEE

- An executive committee is useful if your board members live in various locations and unexpected board meetings are not feasible.
• Because of its size, an executive committee can often move things forward quickly and more efficiently than a larger board.
• An executive committee can be helpful should conflicts arise between other board members.

RISKS OF HAVING AN EXECUTIVE COMMITTEE

An executive committee can alienate the Board of Directors.

• There is a risk that an executive committee may become ‘the real board within the board.’ This may lead to the board feeling that they are only operating to rubber stamp the decisions of the Executive. The Executive Committee must not replace the decision-making authority of the entire Board of Directors.

Be certain that there is clarity when defining the role of the executive committee.

• If the role of the executive committee is not clarified in an organization’s by-laws, or there is no defined role for the committee, it can result in the committee’s overuse of its role and power.
• The committee may exploit power by approving decisions that should be approved by the entire board. As well, the committee may become involved in decision-making that should be the authority of the Executive Director.
• If the majority of an organization’s executive committee’s time is being taken up by unnecessary decision-making that is better left to others, it may be time to rethink the role or feasibility of this committee.

4.2 Treatment of Staff

The board is accountable for the recruitment and orientation of the most senior staff person in the organization. The recruitment process is fair and transparent, and managed in a professional manner by the board.
The board is accountable to ensure that the most senior staff person receives the appropriate orientation required to assume his/her responsibilities.

The most senior staff person reports to the board and has a written job description or terms of reference, annual performance objectives and an annual performance review.

The board annually discusses the succession plan for the most senior staff position in the organization

### 4.3 Emergency Executive Succession

The purpose of an emergency succession plan is to ensure continuous coverage of executive duties, critical to the ongoing operations and organization’s sustainability, in the event of an emergency departure of the executive.

Ideally the senior executive’s input along with board involvement will make an effective plan to ensure continuity in external relationships and operational effectiveness.

Update job description to ensure executive responsibilities and hiring requirements promote the organization’s sustainability.

Define interim executive key responsibilities. The interim executive is a staff or board member who is appointed by the board to fulfill executive duties until the position is filled or until the executive returns, if the vacancy is temporary.

Define internal and external communication plan. Communication is a key function of a healthy organization and is integral to the success of a transition.
Create a process to appoint interim executive. In the event of an unplanned departure or long-term absence of the executive, the board of directors authorizes the executive committee to implement the terms of this emergency succession plan.

Create board oversight and support of interim executive. Establish an information system that enables the board chair to gain access to all critical information pertaining to the organization in an event of an emergency. Select new executive.

4.4 Communications and Support to Board

With respect to providing information and counsel to the Board, it is expected that the executive director will:

- Ensure that the information provided is relevant to the mission, ends and strategic objectives of the organization for which he/she is accountable.

- Ensure that the board is aware of relevant trends in the community which affect the assumptions upon which the mission or current strategic objectives of the organization have been founded.

- Advise the board if, in the executive director’s opinion, it is not in compliance with its own policies, roles and responsibilities, especially when the board’s behaviour may be detrimental to the relationship between the board and the executive director.

- Marshal a diversity of points of view and opinions needed for informed board choices.

- Inform the board of any external complaints or adverse media coverage which may affect the reputation of the organization.

- Inform the board of any internal complaints, grievances or other conflicts which may impact on the organization’s performance.

- Deal with the board as a whole except when responding to officers or board committees with specific responsibilities.

- Provide information relevant to the creation and review of board policies (board level operational policies).
• Report in a timely matter any actual or anticipated noncompliance with any policy of the board.

Link: How Boards Can Have Better Conversations

4.5  Compensation and Benefits

When most people hear the term compensation they think about "what a person is paid". Although this is true, it is only one aspect of a complex topic. Compensation includes not only salary, but also the direct and indirect rewards and benefits the employee is provided with in return for their contribution to the organization.

To determine compensation, organizations should develop a compensation and rewards program. This type of program outlines an equitable process for compensating employees. A well-structured program with a good balance of wages, benefits and rewards will support an organization to remain competitive in today's labour market and ensure sustainability in the future.

COMPENSATION (also known as Total Rewards) can be defined as all of the rewards earned by employees in return for their labour. This includes:

Direct financial compensation consisting of pay received in the form of wages, salaries, bonuses and commissions provided at regular and consistent intervals.

Indirect financial compensation including all financial rewards that are not included in direct compensation and understood to form part of the social contract between the employer and employee such as benefits, leaves, retirement plans, education, and employee services.

Non-financial compensation refers to topics such as career development and advancement opportunities, opportunities for recognition, as well as work environment and conditions.

While employees tend to focus on direct financial compensation when contemplating their rewards, for individuals who are relatively satisfied with their salary, it is the non-financial rewards that tend to be more effective in contributing to long-term employee engagement.
4.6  Asset Protection

The operations of not-for-profit organizations have become complex and the possibility of litigation occurring as a result of their operations is an ever present reality. The exposure of not-for-profit organizations to liability goes further than the loss of the assets themselves and/or the insolvency or winding up of the not-for-profit. Directors of not-for-profit organizations may also personally face legal actions against themselves by members, third parties and governmental authorities for breach of their duties as directors. Given the increased risk to both not-for-profit organizations and their directors, there is an increasing need to protect their assets from lawsuits and creditors on a pro-active basis.

Create a general overview of organizational and legal documentation.

Consider utilizing multiple organizations for activities.

Be clear on board structure and authority.

Be clear on board liability.

Ensure board has adequate insurance.

Be aware of liability exposure on third party property use.

Be aware of real property issues

Settle any intellectual property issues.

Consider written contracts with employees and volunteers.

Be aware of all financial obligations and fiscal management issues.

Ensure national and international relationships are clearly documented.

Create a crisis management plan.

Be aware of all legal duties; eg. fundraising, anti-spam, etc.

Link: Asset Management Checklist
4.7 Budgeting

An organization’s budget is a written plan to work toward its financial goals. An ANNUAL BUDGET is usually prepared but the group should also keep its long range goals in mind.

To prepare an OPERATING BUDGET, the group must determine what it wants to achieve in the coming year and then realistically estimate all the costs involved, leaving some margin for the unexpected. Likewise, all the income should be estimated. The previous year’s Income and Expense Sheet is a good starting point and then it can be adjusted for inflation and changes in programming or funding. The group may find that it needs to alter its plans to suit the amount of money available.

As well as an operating budget, both a CASH FLOW STATEMENT and a CAPITAL BUDGET should be prepared at the beginning of each fiscal year. A cash flow statement predicts the monthly bank balances using estimated receipts and expenses. This is important because revenues and expenses often do not coincide and there must be money to cover expenses as they occur.

A capital budget looks at a longer time period than one year and plans for the purchase of major capital assets such as machinery, land or buildings.

A budget is only useful if it is used during the year to monitor the progress of the group. Predicted revenues and expenses should be compared to the actual income and expenses at least quarterly. Major differences should be looked into and, if necessary, plans changed to correct the situation.

Visit Imagine Canada Sector Source for a comprehensive list of budgeting and financial resources.
4.8 Financial Stability

Each member of the board of directors shares equally in the carrying out of the mandate of the organization, as well as the responsibility of prudent management of the organization’s finances. Financial management in a not-for-profit organization can be described as the managing and accounting of funds to ensure these funds are spent in accordance with board objective. The effective acquisition, allocation and use of funds determines the extent to which goals and objectives of the board are realized.

Board members are responsible for the overall management of the organization’s resources – the responsibility does not simply fall to the Treasurer of the organization. Board members can, in some instances, be held individually liable for debts of the organization in the event of non-performance.

These responsibilities cover many areas of operation. For example, as a board member you will be required to approve the budget. This means asking sufficient questions so that the budget is understood.

Sound financial management is one of the most important policy development and monitoring areas of a board of directors.

For an excellent resource that includes budget templates and definitions, use Financial Responsibilities of Not-For-Profit Boards, compiled by the Muttart Foundation.
5.1 LEGAL DUTIES

The board is ultimately responsible for ensuring the organization adheres to its legal obligations and maintains a code of ethics. Solid policies and procedures will ensure proper decorum in this area. The board should adhere to provisions of the organization’s bylaws and articles of incorporation.

ETHICS AND CODE OF CONDUCT AT MEETINGS

Acceptable ethics and code of conduct are not tied to any parliamentary order but it’s a good idea to include them in your organization’s written policy manual. This will allow your meetings to proceed with civility and good humor.
5.2 LIABILITIES

LEGAL ACCOUNTABILITY AND MINIMIZING THE RISK

Board members have legal responsibilities to:

- the organization and its membership
  - to act with loyalty and honesty
  - to act in good faith; no conflict of interest
  - to guarantee confidentiality for the organizations and its clients
  - to act in a ‘trusteeship’ role

- the government
  - to pay all taxes and remittances (tax, EI, CPP)
  - to adhere to Occupational and Safety Acts
  - to abide by Criminal Law (e.g. Licensing, Standards of Care)

- other stakeholders (employees, clients, volunteers, etc.)
- to follow Employment Standards, Risk Management Procedures

- And to minimize the risk to the organization:
  - follow the constitution and bylaws;
  - know the legal purpose of the Society;
  - know the current financial situation of the organization;
  - know who is authorized to sign cheques and for what amount;
  - declare any potential conflicts of interest;
  - follow the law and pay employee deductions, do not hire illegal workers, file taxes;
  - attend meetings and read and understand the minutes from every meeting;
  - understand an issue and its consequences before voting on it;
  - obtain legal and financial advice on necessary matters;
  - insist Board has policy on Board volunteer liability;
  - ask questions;
  - treat the organization’s affairs as you would your own personal affairs

LIABILITY
- Individual board members may be liable for payroll deductions not remitted to Canada Revenue Agency
- Income taxes, CPP, EI and GST remittances: board members may be liable as well – different procedure for charities than non-profits – visit cra.gc.ca for details or contact CRA or an accountant
5.3 Risk Management

Risk management is the concept of managing potential risk that your organization may encounter. The most obvious risks are things such as theft or fires. Most organizations adopt a plan which includes both prevention and cure. For example, if an organization operates in an area of a city in which crime is prevalent, it will likely try to prevent theft by installing locks or bars on windows. It may also purchase theft insurance since the risk of theft is fairly high in that situation.

Other risks which are not as obvious are those resulting from the activities of an organization. The organization, its employees, and its volunteers may be sued by others for things they did while working for or volunteering for the organization. A particular risk that is becoming more and more real is the risk of liability of directors and officers.

The important thing is to assess the risk, try to prevent the risk related to the particular organization as much as possible and obtain insurance if needed.

IDENTIFY POTENTIAL RISKS AND WEIGH EACH

The first step in risk management is to identify and weigh the risk. Since the law is constantly changing, it is best to speak to a lawyer or other expert about the risks to your organization. Most insurance companies will do a "risk assessment" before offering you insurance. Two of the main areas of risk are risks related to fiduciary duties and statute imposed risks.

A fiduciary duty is a duty to act in the best interest of the organization. Each director must act honestly and in good faith, in the best interest of the organization and in so doing, exercise the care, diligence, and skill of the reasonably prudent person. This duty is continually redefined by the courts as cases are brought before them.

Various statutes impose specific duties on directors and officers. Directors can be liable for such things as unpaid wages of employees and payroll deductions if they are not remitted to the government.

After identifying each risk, rank each of them in terms of severity (major or minor) and frequency. Obviously, those most likely to occur with the highest severity are treated differently than those at the other end of the spectrum.
PREVENTING RISKS

After identifying risks, set out to minimize or prevent them. It is a good idea to form a risk management team or appoint someone to be responsible for working through each risk. At the bare minimum, directors and officers must know the law relating to the organization and its activities, and know about duties relating to fiduciary and statutory obligations.

5.4 Insurance

TYPES OF INSURANCE POLICIES

Nonprofit organizations are often viewed the same as for profit organizations when it comes to insurance products. There are four common commercial insurance policies that may be of interest to a nonprofit organization. There are many other types of commercial policies available. Please contact a broker or agent for more information.

- COMMERCIAL GENERAL LIABILITY (CGL)
- DIRECTORS AND OFFICERS (D&O)
- COMMERCIAL PROPERTY INSURANCE
- SPECIAL EVENT LIABILITY

While there have been few lawsuits brought against nonprofits in Canada, it has happened. Nonprofits have been sued by government, donors, members, clients, employees, uninvited guests and even directors suing other directors. While not all these lawsuits result in payment, they all have defense expenses which can be very costly.
THINGS TO NOTE

If your organization is not incorporated each member can be held personally responsible for the debts of the organization.

If your organization is incorporated the Board of Directors is then responsible for the organization and the liability of the individual members of the board is limited. The organization stands on its own regarding ownership of property, being responsible for obligations including any debt. Incorporation limits the liability of the individual board members; however, the members or directors can become personally liable if they fail to carry out their duties or obligations.

Visit Government of Newfoundland and Labrador Service NL for details on local laws and types of acceptable insurance. Consult with an insurance broker for specific policy requirements.

BALANCING COSTS AGAINST RISK

Not-for-profit directors and officers liability insurance typically costs from $200 to $50,000 year. The costs are based on the organization's annual revenues and on a risk assessment by the insurer. For not-for-profit organizations, it is important to realize that this cost can be lessened if it’s spread out among several organizations. Therefore, it is important to speak to other not for profit organizations and perhaps arrange for coverage which covers all of you.

SOME BUYING TIPS

- Solicit competitive bids every three to five years
- Allow sufficient time for a risk assessment by the insurer
- Locate an insurance advisor with expertise with not-for-profits
- Be extremely careful when filling out the application form (possibility of misstatements)
- Fully disclose the organization’s prior losses and provide details on ways in which the organization can avoid future losses
- Negotiate for coverage and pricing
- Make sure that you report any prior incidences that might potentially give rise to a claim
- Ask each insurer to provide information on the insurance carriers' "financial strength"
5.5 Screening

Screening is a process that helps match people with volunteer positions while improving the quality and safety of the programs and services offered in communities.

It’s an ongoing 10-step process performed by an organization to ensure that volunteers’ involvement is meeting the needs of the organizations, the populations they serve and the volunteers themselves.

Screening involves much more than police record checks. While police record checks are one of the 10 Steps of Screening, screening is a comprehensive process that begins long before a volunteer is selected and continues beyond his or her involvement with the organization.

BENEFITS

The benefits of screening are:

- People’s skills and experience are better matched to the needs and opportunities of organizations.
- The quality and safety of volunteer programs in communities are improved.
- The risks and liability for people and organizations are reduced.

Screening helps organizations find the right roles for their volunteers. The screening process takes into account the skills, experience and qualifications needed for a volunteer role. Through the process, organizations learn about the applicant’s interests and goals.

At the same time, screening improves the quality and safety of our communities. Screening policies help to lay out the responsibilities of both organizations and volunteers.

Screening practices play a role in fulfilling an organization’s moral, legal and ethical responsibilities to the people it reaches. This includes members, clients, participants, employees and volunteers. This obligation is even greater when the organization is working with vulnerable people, including children, youth, people with disabilities and senior adults.

WHY IS VOLUNTEER SCREENING SO IMPORTANT?

Organizations have moral, legal and ethical responsibilities to the people they reach.

This includes members, clients, employees and volunteers. Screening is especially important for organizations that work with vulnerable people.
Vulnerable people may include children, people with disabilities and senior adults.

The following factors affect an organization’s obligations for screening volunteers:

- Each volunteer position has its own set of requirements, risks and benefits. Boards of directors must set screening policies that suit the range of roles within the organization.

- It’s important to note that screening should be ongoing during a volunteer’s involvement.

- Screening involves ongoing monitoring and quality assurance.

- This approach benefits the organization and the volunteer, by ensuring that the volunteer role is meeting the needs and expectations of both.

Screening practices begin when an organization creates a new position.

Screening is used to select volunteers for specific roles, and it should continue as long as a volunteer is involved with the organization.

The 10 STEPS OF SCREENING give clear guidelines for developing screening policies. These policies show an organization’s commitment to safe and meaningful volunteer engagement:
**TEN STEPS OF SCREENING**

1. ASSESSMENT
2. POSITION - ASSIGNMENT
3. RECRUITMENT
4. APPLICATION
5. INTERVIEW
6. REFERENCES
7. POLICE CHECKS
8. ORIENTATION AND TRAINING
9. SUPPORT AND SUPERVISION
10. FOLLOW-UP AND FEEDBACK

*For more visit Volunteer Canada: Screening*

**VULNERABLE SECTOR CHECKS AND CERTIFICATE OF CONDUCT**

To obtain a Certificate of Conduct or a Vulnerable Sector Check, an applicant must appear in person at one of the Royal Newfoundland Constabulary cashiers office located at 1 Fort Townshend, St. John’s.

An applicant must provide: two (2) valid pieces of identification, one of which must be government-issued and include the applicant’s name, date of birth, signature and photo.

Upon the completion of the application, the Criminal Record Screening Certificate issued will normally be forwarded to the applicant via Canada Post mail service.

Applicants must ensure the information displayed on the applicant’s invoice is correct. Any discrepancies may result in the application not being processed or may create a delay. If a discrepancy is identified, please contact the RNC Cashier’s Office.
APPENDIX 1

TEN IDEAS FOR SUCCESSFUL RECRUITMENT

1. Invest in making your organization more visible in the community

   • Treat your recruitment effort as an opportunity to promote the importance of what your organization does or the difference it makes in people’s lives. The benefits of being on your board will include the opportunity it provides for someone to contribute to his/her community.
   • Look at invitations to make presentations about your organization as board prospecting opportunities.
   • Ensure that you have some marketing materials, a brochure and a web site that informs and promotes your organization in the community.
   • Pay attention to the work of building and maintaining relationships. For example, schedule conversations with your funders and other stakeholders when they do not expect it, not just when you are looking for money or have something specific to report.

2. Make your board and its job more visible

   • When you talk about your organization include your board in the picture.
   • Use your newsletter to communicate externally what your board is currently working on.
   • Put board recruitment advertisements in your newsletter or in other community publications.
   • List your board members on your web site, perhaps including your board member job description.
   • Involve the chairperson or other board members in meetings that the executive director would otherwise attend alone.
   • Produce and distribute to your stakeholders a modest annual report, one that includes a report from the board.
   • Pay attention to helping your board be more like a team than a committee. There needs to be more to what the board is about than hearing and approving reports or making decisions.

3. Be clear about the role of the board, what you expect of board members and what they should expect of the organization

   • Develop a board member’s job description which includes a realistic estimate of the time commitment expected of volunteer board members.
• Have a clear job description for the board chair and other officers.
• Create a code of conduct for board members to guide behaviour inside and outside of meetings
• Establish a policy outlining the normal term for board members.
• Indicate an expectation that board members should, with increasing experience, assume more responsibility (e.g., chair, vice chair, secretary) but with time limits attached to these positions. No one is likely to aspire to these important roles if they are likely to be stuck with them indefinitely.
• Communicate what new board members can expect in terms of orientation, mentoring, meeting notices and reports.

4. Know what you are looking for in new board members

• Discuss what kinds of additions would make for a stronger and more dynamic board from an external (membership or stakeholder) and internal (board and staff) perspective.
• Pay attention to moving towards greater diversity in age, gender, race, constituencies, backgrounds and experience. You will certainly want people who share the core values of the organization, but not necessarily people who will have the same take on things as the majority. Avoid the tendency to recruit board members just like yourselves.
• Be very careful about recruiting people for their administrative or management skills (an accountant as treasurer, an HR person for the personnel committee) rather than their community knowledge and commitment to your mission.

5. Do not hide your current challenges

• Tell prospective board members, and those helping you identify candidates, about the challenges the organization faces, financial and otherwise, not just its past accomplishments and strengths.
• Give them some sense of your history, what the organization has been through and what it is going through.
• Speak to them about the strategic issues for the organization and the organization’s long and short term objectives.

6. Look far and wide for board candidates

• Assume that there are lots of people interested in the work of your organization who are not known to you.
• Look to those parts or elements of the community that are not presently “represented” on the board.
• Ask your external stakeholders for suggestions.
• Do not exclude anyone you are interested in from being on the list.
• Recruit with a three year perspective. Approach people you want even if you suspect they are not interested now - they could be interested next year or perhaps the year after that.

7. Recruit with style

• Develop a recruitment package containing the mission of organization, a short history and description of what you do, a board member’s job description, the list of current board members and the executive summary of your strategic plan.
• Know before you approach them what it is about the person the board wants and your organization needs.
• Try a three-step approach: ask if they would consider serving, if you can give them a recruitment package and then follow-up in a week. If they say no, ask if they would mind if you asked them again next year.
• Contact prospects initially by paying them a visit, making a telephone call, or sending an e-mail
• Invite prospective board members to a board meeting.
• Consider a formal application and interview process to underscore the importance of the decision for both the board and the candidate.

8. Make recruitment a team building effort

• Add recruitment as part of every board member’s job description
• Set recruitment goals and time lines.
• Celebrate successes.
• Evaluate your approach.

9. Prepare new board members to participate

• Give new members a Board Manual (by-laws, policies, minutes and other resources).
• Have an orientation session to review your governance practices.
• Have an existing board member meet with each new member as a mentor.
• Tour the facilities or offices and meet the staff.

10. Focus on recruitment regularly

• Put board recruitment on the agenda throughout the year – at least quarterly.
- Set up a standing board recruitment committee.
- Maintain a board prospects list.
- Keep several copies of your board recruitment package on hand.
Appendix 2

SEVEN EASY STEPS TO A SUCCESSFUL BOARD RECRUITMENT CAMPAIGN

If you are at the beginning of your recruitment process (and you have not really had one in the past) it may seem like an overwhelming task. If you are a board that meets monthly, here are some first steps:

Starting now, put board recruitment on the board’s agenda for a 15-20 minute discussion at each of the next five board meetings. If your AGM is coming up fast, do not tie your recruitment process to it.

At the first meeting discuss what you are looking for in new board members. This is probably the most important recruitment conversation you can have. Also ask yourselves how many new board members you want to recruit in the next year. (One new board member for every three prospects contacted is reasonable).

At the second meeting create a list of potential candidates (those you know of) and a list of the people you need to talk who can suggest candidates. Create a committee or divide up the latter list of people (not your actual prospects) amongst the board. The members should “fan out” to prospect for candidates. Every board member should agree to make at least one prospecting call before the fourth meeting.

Before the third meeting get three board members together to put together a draft recruitment kit including a draft letter of invitation and bring it to the third meeting for board review, editing and approval (with changes).

At the fourth meeting put your heads together and outline a recruitment “script”. Develop a list of ten candidates, divide up the list and give each member a recruitment kit for the person they agree to approach. E-mail each board member the draft letter of invitation that they can customize to the candidate they are approaching. The approach should be made before the fifth meeting.

At the fifth meeting report on results of the month’s recruitment effort, evaluate, plan follow-up and, if necessary, continue the process with some additional candidates.

Hold on to your list of prospective candidates – note who you have called and when to get back to them. Schedule your next recruitment discussion and set up a standing recruitment or nominations committee.
Most boards will strike or have in place a nominations committee. Broaden the scope of its work out to include all that is required for recruiting. While recruiting board members with management expertise is a common practice, you may want to give this a second thought. Some of the best board candidates may be people seeking a separation of their work lives and volunteer lives. Recruiting for management skills also can lead to board micro-management of matters that should be the responsibility of the senior staff person.
Appendix 3

COMMITTEE TERMS OF REFERENCE - TEMPLATE

It is a good idea to establish a terms of reference for your committee. This will give your group an opportunity to manage expectations by determining the scope of the team’s responsibility, along with the responsibility of each individual member, right from the beginning. The template below provides you with a place to start when developing your terms of reference.

Official Name

Official name of the committee or working group

Members/Composition

Roles / Responsibilities (e.g. chair, secretary, treasurer, report to the board)

Identify various groups that will be represented on the team (i.e. organization representative, parents, sector representative, membership, etc.) What is the role of each team member?

Term of Membership

What are the terms of membership? (e.g. min. 2 year terms) It is recommended that a few team members overlap from year to year to ensure knowledge transfer and consistency.

Formation Details

Discuss context of team - how, why and when was the committee formed? What is their main purpose? Is the team responding to a priority in the organization’s strategic plan?

Goals

1. (primary) 2. (secondary) 3. (others)

Deliverables

Identify specific outputs required/requested from the team. Some examples may be to support a priority identified in the organization’s strategic plan; respond to concerns identified by parents; and raise awareness of the value of recognizing the membership.
Jurisdiction

What are the bounds of responsibility and authority of the group? What do they need to address and what is outside their area of concern? What can they decide on and what needs senior leader input? What is within their scope of authority and what is considered outside their scope of authority?

Resources and Budget

Identify the resources required to meet the various objectives of the team – people, equipment, materials, rooms, funds, skills.

Governance

- What’s the decision-making technique? For example: consensus, 2/3 majority vote, etc.
- What is considered a quorum?
- What are the relationships of authority within the group and with the greater organization?
- Who does the team report to – the chair of the committee? The chair of the board? Outside the organization?

Communications

How do members communicate within the team? By phone, meetings, email, mailing lists etc. How quickly should people respond? How is reporting back to the organization conducted? How does the team communicate with senior leaders?

Relationships to other groups

Is this committee dependent or related to other committees, working groups or board members?

Related policies / By-laws

Make linkages to any specific organizational policy and/or initiative that pertain to this team.
LINKS

BOARD RELATIONSHIPS

How Boards Can Have Better Conversations
Board Self Evaluation Sample Forms
Board Self Evaluation Questionnaire
Developing Job Descriptions for Board Members
Community Sector Council: Board Development

BOARD GOVERNANCE AND BYLAWS

Cleaning Up Your Bylaws
Difference between Policy and Bylaws
Governance Models
Government of Canada: Duties of Directors
Dalhousie University: Non-Profit Resources, Sample Policies and Governance Guides

FUNDRAISING

Developing Fundraising Policies and Procedures

SCREENING

Screening Volunteers

LEGAL LIABILITY

Legal Liability and Risk Management

COMMUNICATIONS

Strategic Communication Planning for Not-for-Profit Organizations