

EFFECTIVE BOARD GOVERNANCE

*A Handbook for
Board Members and Administrators
of First Nations' Boards*

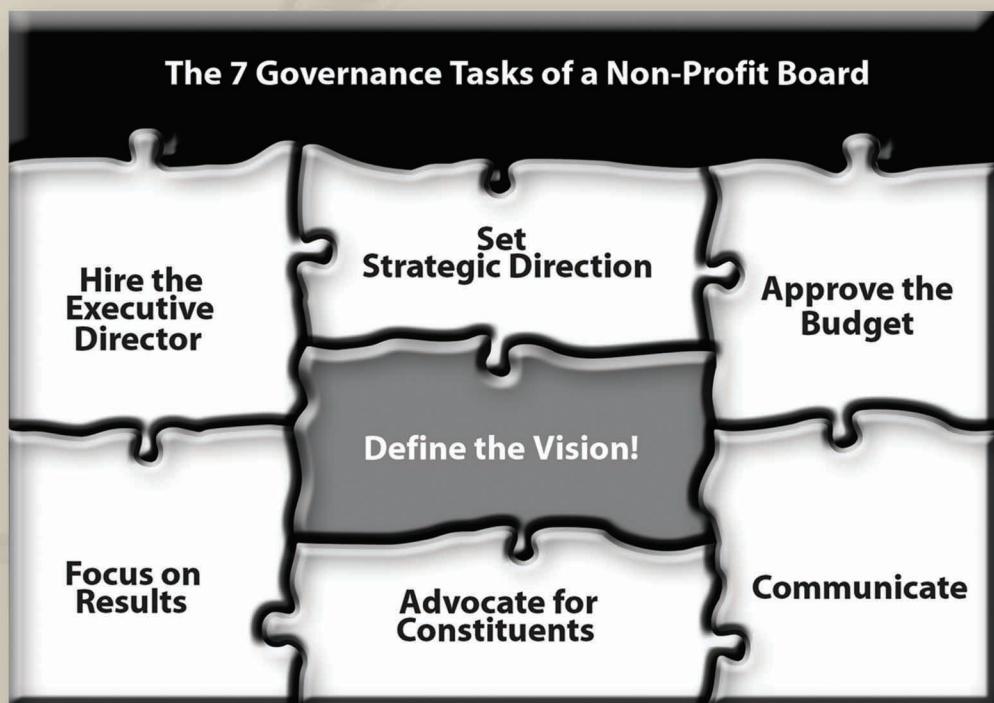


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Forward

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This handbook provides an introduction to the governance role and responsibilities for newly elected or newly appointed members of First Nations non-profit boards.

It assumes that you have no background, training or experience in board governance, and guides you through the critical elements of effective board leadership. The tasks of effective board leadership are common and apply whether you serve on a public or private board of a very small or very large organization; in a small or large community; or at the local, regional, provincial or national level. This approach to governance also has application for on-reserve leadership provided by Chief and council for First Nations communities.

Study of this handbook will keep you focussed to the big picture, to your organization's purpose and desired future, and specifically to those strategies that will help you to quickly become effective in your new role.

Executive directors who understand that an important part of their role is to assist the board in its governance function will find the handbook a useful training resource. Boards can, for a variety of reasons, lose their focus and find themselves deeply involved in management issues. The handbook's guidance will help executive directors keep boards focused to their governance role.

The job of the non-profit board and the respective roles and responsibilities of the board and its executive director are clearly differentiated and explained within this resource. Each chapter contains reflective questions all board members should ask as part of their governance role. Also includ-

ed are indicators of board effectiveness. Finally, each chapter includes one or more effectiveness exercises that can be used by board members for personal reflection, or as a board exercise.

Experienced board members can usually describe the problems that detract from their system's effectiveness, but they often have difficulty identifying and resolving specific issues. As a board member searching for answers to complex management issues, you will need to develop the skill of asking the right questions. As you strive to find solutions to the many challenges facing your organization, refer to the effectiveness questions listed in each chapter, and in the final chapter on board self-evaluation.

This handbook is then, additional to its use as an orientation manual, a book of questions - those right questions that board members serving on any non-profit board should be asking as the board provides strategic leadership and direction. It is by learning to ask these right questions that you will become effective in your governance role.

A Guiding Set of Beliefs

This handbook is based on the assumption that effective boards:

- provide a comprehensive orientation for new board members and encourage all board members to participate in board governance training programs
- have board members who desire to make a personal contribution and make a difference to the success of their organization
- strive for effectiveness, that is, doing the right things, rather than on efficiency, which is doing things right
- commit to the governance role of the board
- define their organization's purpose, its mission, and a vision of its desired future
- focus their attention primarily toward the purpose for which the organization was created
- demonstrate attitudes of mutual respect and cooperation, and a willingness to listen to and understand the viewpoints of others
- build a synergistic board team where members understand that they can achieve more by working together as a group rather than by working individually
- appreciate that disagreement is healthy and that board debate is a prerequisite for good decision-making
- strive to achieve consensus in their decision-making
- attempt to bring out the best in themselves and others
- approve policies that are clear, direct and enabling
- focus on results and outcomes, and not solely on the activities and efforts of the board and staff
- set the example for program assessment and evaluation through their willingness to assess the board's performance.

Chapter 1

Congratulations, you're a board member!

Congratulations, you've just been elected to a non-profit board. Perhaps you were appointed. Some of you may have "volunteered." You may even find yourself on the board because nobody else wanted the job, and you were asked to take on the challenge.

Regardless of the path that brings you to the board table, the continued success of the organization you now represent very much rests in your hands and those of your fellow board members. What direction the board gives, and what decisions the board makes, will directly affect the lives of the staff and the constituents you represent.

This is a heavy responsibility. Carry it proudly and strive to be the best board member you can be. Your constituents are depending on you for positive change and positive results.

For some, service on a non-profit board is one of life's more meaningful and rewarding experiences. For others, it is one of the most frustrating experiences they will ever encounter. Which experience it will be for you will be heavily influenced by the approach you take to board leadership and your commitment to the board's governance role.

Board governance versus board management

Millions of dedicated North Americans give community service each year as members of non-profit boards. Rarely does one encounter directors of these associations, societies or volunteer agencies who do not have a sincere desire to contribute to their community and to make a difference for their organization. And yet, for many, the passion for change and improvement they initially bring to the board table quickly gets diverted towards the most urgent and seemingly important matters. After analysis, these matters seldom amount to little more than management concerns – issues that could easily and effectively be handled by the organization's executive director and staff. Many should never become priorities requiring board attention.

Sadly, rather than focus on their governance role, boards often become mired in staff-level activities.

Sadly, rather than focus on their governance role, boards often become mired in staff-level activities. Much of what boards do, they shouldn't be doing. This means that the important tasks of board governance often do not get done. Non-profit organizations suffer for this misdirected activity.

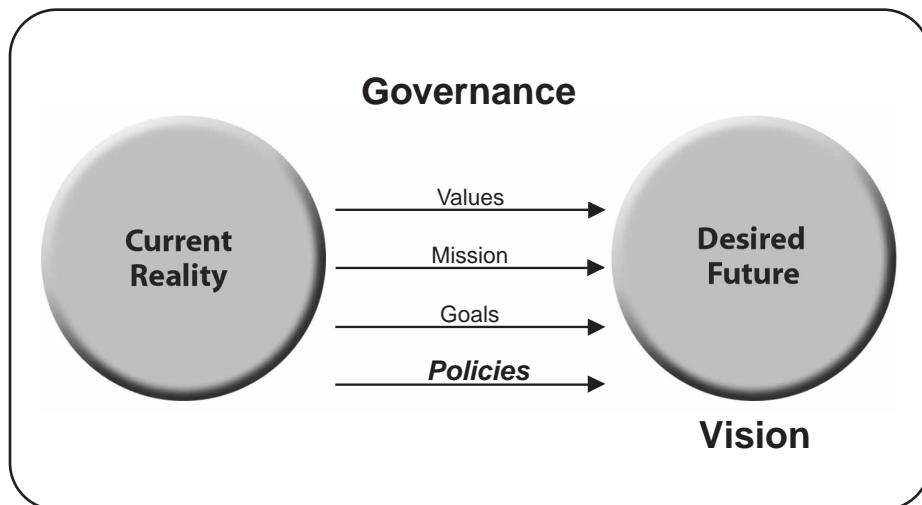
In practice, few boards rise to the challenge of effective governance. Your board may be efficient in that whatever board business it chooses to undertake, it may do well, but effectiveness is more than efficiency. Boards become effective when they focus on doing the right things, and particularly those few key governance tasks which, when done well, contribute significantly to the success of any non-profit organization.

Governance has a special meaning as it relates to non-profit boards. There is a specific role and specific responsibilities that effective boards undertake. They clarify their expectations, point themselves in a specific direction and towards the specific results they desire to achieve. Because they know where they are going and have the willpower and commitment to reach their destination, they are successful.

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Governance starts with an introspective look at the organization's current reality and its purpose, the reason for its existence. Time is taken to analyze its strengths, weaknesses and opportunities. Effective governance then requires that the board give attention to a process that will define the organization's direction – its vision of the ideal future. This future should be so powerful and so exciting that the board, staff, constituents, the community's citizens and others will all be motivated to achieve it. The values the

organization espouses, the goals it sets, the policies the board approves will each be seen as necessary steps along the pathway to your organization's success.



Having set this clear direction with the help of its executive director, the effective board works with its administrator and staff as a team to ensure a successful implementation of its vision, goals, plans, and policies. The board focuses on its governance responsibilities by approving plans and policies, and then relying on the expertise and skills of the executive director and staff to get the job done.

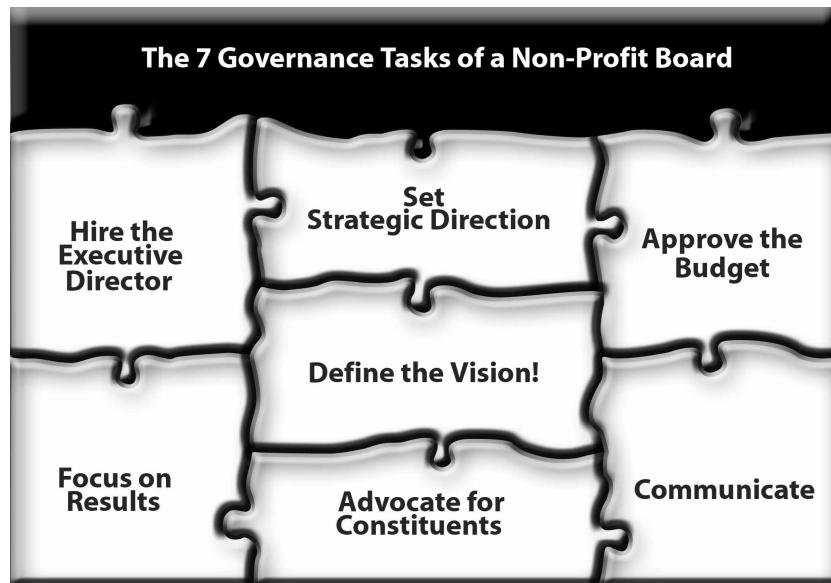
The effective board monitors the performance of the administrator in carrying out its direction, but it does not become directly involved in the day-to-day management of the organization. This is easily said but difficult to attain, primarily because board members have a natural curiosity and a desire to personally become involved in current issues and crises. Many board members find it difficult to pull back from the pressures of the present and put the emphasis on planning for the future. Effective boards see beyond the present. They keep their eyes on their vision. Ineffective boards are so grounded in their organization's current reality that they are unable to properly plan for the organization's future.

Governance then is the focus of this handbook. Governance is like a puzzle. The individual puzzle pieces will be described and explained in detail. You will be shown how the pieces fit, but it is only when you fit all the pieces together and see the complete picture that the concept of governance truly makes sense.

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The Governance Puzzle



Types of non-profit boards

“Non-profit” is the term used to differentiate public, private, volunteer, and numerous government funded agencies from business corporations that exist as for-profit enterprises.

Non-profits differ from for-profits in that their focus is primarily on improving one or more aspects of the lives of their constituents.

Non-profits differ from for-profits in that their focus is primarily on improving one or more aspects of the lives of their constituents. There are many non-profit organizations in any community, regardless of the community's size. They range from boards of very small organizations in rural communities that operate without any paid staff and with budgets of just hundreds or thousands of dollars, to boards of large, complex urban school and health systems with thousands of employees and budgets in the hundreds of millions of dollars.

Consider the non-profit organizations and agencies in your community. There are probably many more than you first realized. Friendship centers; treaty associations; health, wellness, treatment and healing centers; housing societies; education committees and school organizations; First Nations women's groups; youth groups; and cultural and heritage societies are just a few of the non-profit organizations in a First Nations community. One quickly finds that, regardless of our geographical location, or our urban or

rural environment, we are surrounded by a wide variety of boards serving various community interests and needs.

These boards require local participation for their membership, whether at the community, regional, provincial or national levels. Increasingly, it is First Nations board members and First Nations executive directors that are providing leadership to these boards.

How non-profit boards differ

Members of non-profit boards perceive that their board's challenges are unique and require a different base of knowledge, skills and approaches than for boards of other organizations. For example, an education committee responsible for the education of students at a band operated school may perceive its role and responsibilities as being very different to that of a health board in another community in a different area of the province. The board of a child-care society may view its responsibilities as being quite different from the board of a housing society.

This perception that the board's role and responsibilities are unique develops when board members focus specifically on the range and types of services and programs offered by their organization, and on the activities and efforts of their staff, rather than on the role and responsibilities of the board itself.

As a novice board member, you may not appreciate that the role and responsibilities of non-profit boards are the same in every situation. The task of any non-profit board, regardless of the programs and services it offers, is to govern. In this respect, a board is a board is a board. Yes, there are many approaches to board leadership, various ways of structuring committees, different formats for writing goals and policies, and the terminology used within various organizations differs considerably. Regardless, the board role and responsibilities remain constant.

What will differ, depending on the size of your organization, is the structure of the board, constituent representation, and board-administrator relationships. Public boards formed by government have elected board members representing specific geographical areas, and may have large staffs with hundreds or thousands of employees. Smaller agencies, societies and com-

munity boards may represent a specific set of constituents rather than all people in a specific geographical area, and they may be served by very small staffs, as small as an executive director and a secretary.

For some non-profits, where the board is voluntary and there are few or no staff members, board members may be recruited and appointed for their expertise in a management area. In these situations board members, in addition to their governance responsibilities, undertake duties and assignments normally handled by staff.

For example, an accountant may be asked to serve on a non-profit board to assist with the organization's financial operation. Organizations that recruit volunteer board members to undertake what otherwise would be staff functions create a particularly challenging board structure.

Each of these board-administrator situations creates a different dynamic for the operation of the board, and for the operation of the organization. What will work in one situation may not work in another. The common link in every case, however, is that the board is expected to play a leadership role in the governance of the organization. The board's focus, regardless of its structure or the size of the organization, should always be towards effective governance.

New Board Member Questions For Reflection

1. Why did I become a board member?

Board members serve on non-profit boards for many reasons. Take a few moments to reflect on yours.

Some desire to contribute to their community and to make a difference by helping to shape the future direction of an organization. They may be excited about the work of a board, and want to be a part of a dynamic, successful group of people. They may care passionately about the need for particular community programs or services, and perceive the need for greater advocacy on the part of the board. For others, the reason may be more specific; for example, to enhance the leadership shown by current or past board members, or to improve the administration. Getting oneself elected or appoint-

ed to the board is seen as the way to bring about meaningful change to an organization.

Some people may have been asked to serve on the board by their Chief or an elder, perhaps because they have demonstrated a special expertise or interest. As a member of an existing board, they may have been asked by their fellow board members to be their board's representative to yet another board. For example, a Chief may appoint a member of council to serve on a band's health committee.

They may even have political aspirations or personal agendas. Service on a non-profit board is often seen as a first step along the pathway towards other higher-level political aspirations.

Regardless of the reasons that bring you to board service, you now must work diligently to properly and fairly represent all the interests of your organization. Candidates who successfully run for a board on a single issue soon find that they, along with their fellow board members, are at the helm of a complex organization, and that they must broaden their perspectives and understandings to achieve the organization's purpose.

Board membership is not about “doing your thing”, or focusing on those few aspects of the operation that are of most interest or concern to you. It is about governance for the entire organization. It is about being an integral member of a group that speaks with only one voice. It is about serving the needs of all of the organization’s constituents.

What were your reasons for getting on the board? Are you ready and focused to your governance role?

Board membership is not about “doing your thing”, or focusing on those few aspects of the operation that are of most interest or concern to you. It is about governance for the entire organization.

2. Where do I start?

New board members often feel overwhelmed with information and by the board's challenges.

Focus your initial concerns on getting oriented. One of your first questions should be to ask if there is an orientation program for new board members. If the answer is yes, you're off to a good start. If an

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orientation is not provided, don't be alarmed. This handbook will help provide you with an orientation if one is not provided.

It is unrealistic to expect that you will immediately know all you need to know as a new board member. It will take time for you to develop your knowledge base, to learn what questions to ask and of whom, and where and how to get the information you will need. Your goal should be to make that time period as short as possible. Don't expect more of yourself than is reasonably achievable.

3. What exactly is expected of me?

Members of non-profit boards have both a leadership and a political role. As a leader on the board, you help shape the organization's future direction. As a politician, you have a responsibility to represent and advocate for all of your constituents. Your constituents expect leadership and they want you to help bring about positive change.

Interestingly, not all board members perceive themselves as leaders. Many see themselves simply as community volunteers and as willing helpers. Regardless, take some time to think about how others, and especially your constituents, perceive you in your new role.

Your constituents will expect you to become effective as a board member in the shortest possible time. At a minimum, they expect the board to be the trustee of the organization's finances, and they will expect you as a board member to quickly become knowledgeable regarding the organization's financial operation.

As you learn the skills of governance, you will transcend this focus on finances and demonstrate to constituents that you are acting in their long-term interests by being proactive about the future, and helping the board achieve its desired goals.

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4. How can I ensure that I “make a difference” as a board member?

Board members want to make a difference, to effect positive change for their organization. Ultimately, when you leave the board, you should ask yourself this one, basic question, "Did my being on the

board make a difference?" If it did, you can take satisfaction in knowing that you played a part in shaping the direction of your organization.

Reflect on your reasons for becoming a board member. If you just wanted to help out or assumed the position because no-one else wanted it, you may find yourself going with the flow, wanting to keep everybody happy in times of conflict, and unwilling to do anything that might upset people. You may even find yourself unwilling to take a position or stand on important issues because of a fear of offending someone. You may be unwilling to face tough questions and tough issues.

Think positively about the contributions and the perspectives you can bring to your organization. Regardless of your background and experience, your education, vocation, and training, you have a perspective and should feel free to express it. Do not allow others to put you down or demean you for expressing a contrary point of view. Your opinions and perspectives are as important and valuable as those of your fellow board members and you should be willing to express them.

Regardless of your background and experience, your education, vocation, and training, you have a perspective and should feel free to express it.

The satisfaction of board service comes with knowing that you made a difference, that someone else would not have achieved the results you did, and that your organization is better because of your participation.

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An Integrated Boards Approach

Within any community, numerous agencies and organizations form to provide programs and services for the local population. Increasingly, non-profit boards are finding that their program and service offerings overlap, that they have the same clients, and that they are competing for the same funding and community support. It is a struggle for most boards just to secure the desired annual funding to support their system's needs. There may not be the funding to properly support all of the non-profit agencies in a com-

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Service on a non-profit board is often a time-consuming, thankless task.

munity. Where there is adequate funding, it may not be secure, nor guaranteed for the long-term.

It may also be difficult to recruit a talent bank of the community's citizens to serve on all of its various boards. Service on a non-profit board is often a time-consuming, thankless task. Non-profits rely for their success on individuals who have a strong sense of community purpose and a willingness to volunteer.

Over time, non-profits can find themselves becoming territorial in their approach. A review of the programs and services offered by various non-profit agencies in a community might show that they are in direct competition with each other for greatly needed financial and human resources. Each wants to serve the community in some unique way. Each wants a piece of the action.

Consider the non-profit agencies and their clients in your community. For the most part, are not the clients the same or similar? If the funding received for these various agencies' programs and services could be better co-ordinated, perhaps even integrated, it might be more effectively spent. If there were an integration of boards, the expertise available in the community might be better utilized and focused.

Summary

There are many reasons why people choose to serve on boards. Three positive reasons are: to contribute to the betterment of one's community; to help effect positive change for the organization they represent; and to make a difference.

While you will want to learn from those board members who preceded you, don't assume that they were effective simply because they served on the board, and don't automatically pattern your behaviours by theirs. Think for yourself. Reflect on your organization's current situation, its history and its probable future. Learn and study the skills required for effective governance, and bring a wise and balanced perspective to board deliberations.

As you develop knowledge and experience in governance, increase your awareness of the other non-profit agencies in your community. Are there situations where services overlap? Bring these to the attention of the board, and discuss how the community might be better served with alternative community support structures.

Whether your service as a board member will be a rewarding or frustrating experience is very much up to you. Carry with you the attitude that you will make a difference as a member of your board.



The Right Reflective Questions

Congratulations, you're a board member

1. For what reasons did I become a board member?
2. Where do I start?
3. What exactly is expected of me?
4. How can I ensure that I “make a difference” as a board member?



Indicators of Board Effectiveness

- The board welcomes new members to the board and provides an orientation focused to the governance role and responsibilities of the board.



Effectiveness Exercises

1. Reflect on the question “What can I do to ensure that I will make a difference as a board member?” Write out your response. Keep it with your important papers for handy reference.
2. Make a list of the non-profit agencies in your community. Who are their clients? Are the same people being served by different non-profit agencies? Do any of their programs and services overlap? Might the community be better served by a consolidation of these non-profit agencies? Which non-profit organizations could be consolidated to provide more comprehensive programs and services?

Chapter 2

Indicators of Board Ineffectiveness

This chapter lists common indicators of board ineffectiveness. Problems boards typically encounter, and those actions and comments of board members that detract from board success, are described.

Typically, boards use the excuse of funding inadequacies to explain their lack of effectiveness and lack of success. While inadequate funding is an issue for many boards, it is not in itself the primary problem leading to board ineffectiveness. Effectiveness is not about funding; it is about focus. Board ineffectiveness results when boards fail to give primary attention to their governance responsibilities.

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1. **Entrenched thinking**

Paradigms are the way we think about things. They are the thought patterns and mental rules we use to process information and make sense of the world around us. If a thought or idea doesn't fit our paradigm, it doesn't make sense to us.

For example, we wouldn't play baseball using a lacrosse stick and a hockey puck. They don't fit the "baseball" paradigm.

The more rigid our paradigms, the more difficult it is to embrace new ideas and to think "outside the box." We establish our routines and become used to doing things in certain predictable ways. Over time, when these routines and patterns of thinking become habits they limit our creativity and make it difficult for us to embrace new ideas, new ways of seeing things, and new technologies.

Paradigms change. Reflect for a moment on paradigms about schooling. Traditional First Nations thinking suggests that children learn holistically and experientially from elders and family members through participation, and by listening to stories and lessons about their history, their culture and their values.

A very different paradigm for schooling was imposed on First Nations people following the arrival of European colonists. School became the building where children gathered for their education and where their formal learning occurred. In this paradigm, teachers instruct students in modules called classrooms. Those caught up in this paradigm find it difficult to think of a school as other than the building where a child's learning occurs.

First Nations communities are increasingly defining a paradigm for schooling that reflects First Nations values. In this First Nations paradigm the wisdom and life experience of elders and family members are valued and respected. Acquiring knowledge of First Nations history, culture and language is a priority. Much learning occurs within the home and the community, with elders and others teaching children about their history, their language, their culture and their values.

Board members whose thinking is entrenched will typically resist change and want to keep things as they are.

Our thinking is shaped by our paradigms. Board members whose thinking is entrenched will typically resist change and want to keep things as they are, or were. They may comment, "Why change anything? Everything seems to be going well. We're not hearing complaints." Or they may say, "We've been doing things this way all along, and it has worked for us. If the system isn't broken, why waste time trying to fix it?"

The challenge for many is not in embracing new ideas, but rather in letting go of the fixed ideas they already have.

To address complex issues, board members must be willing to listen to the thoughts and diverse opinions of others, embrace new ideas, and seek innovation and creativity. The challenge for many is not in embracing new ideas, but rather in letting go of the fixed ideas they already have.

Boards that want results need to think in new and different ways. If your board keeps doing what it's doing, it will keep getting what it's

getting. Is your board getting the results it desires? If not, help the board change its thinking.

The governance concepts explained in this handbook will represent, for some, a paradigm shift – a new way of thinking about concepts already firmly entrenched in their current patterns of thinking.

If your board keeps doing what it's doing, it will keep getting what it's getting.

2. Lack of board member orientation and training

Not all board members value and encourage orientation programs for new board members. Not all boards provide for board member orientation and for ongoing board training. New board members may be left to their own initiative to acquire information and to develop their skills.

A board member may suggest that board member orientation and training is unnecessary. He may say, “I didn’t need any board training. Why should anyone else?” or may comment “Let’s put our limited funds to better use”. If funds are tight, a board member might even comment, “If we cut the budgeted funding for board member training, we’ll set the example in our budget cutting process.” Such comments do not support board improvement and the professional growth of the board’s directors.

When boards and their members do not provide a “governance” orientation to their incoming members, and when they do not participate in or value ongoing board governance training, they pass the message that such training is unimportant and unnecessary.

The purpose of board member orientation and training is to ensure that the organization’s directors are properly prepared for their governance role and responsibilities, and that they have the knowledge and skills to undertake these governance functions. Effective boards understand that good governance is a learnable skill and that the development of governance skills among board members requires ongoing training and practice. On an effective board, board member orientation, training and ongoing in-service are given high priority.

Effective boards understand that good governance is a learnable skill and that the development of governance skills among board members requires ongoing training and practice.

Chapter 3 provides an orientation for new board members who do not receive one from their board, and suggests what questions they should be asking, and what documents and information they should be requesting.

3. Confusing the roles and responsibilities of the board and the executive director

Board members arrive at the board table with varying perceptions and understandings of the respective role and responsibilities of the board and its executive director. The roles are different, but if they are too rigidly separated, board members may feel there is a line in the sand that divides their responsibilities. This is unfortunate because it is from everybody working together towards common goals that the best climate for success is created.

Board members may project the attitude that the board, as the group ultimately accountable for the successful operation of the organization, is free to do what it chooses to do. For those with this attitude, the job of the executive director may be to do whatever the board dictates or, in some cases, to do whatever individual board members feel should be done.

Board members may feel it is their responsibility, in fact their right, to personally become involved in the daily affairs of the organization, even to the point of directing staff on matters of personal concern or interest.

Further, board members may feel it is their responsibility, in fact their right, to personally become involved in the daily affairs of the organization, even to the point of directing staff on matters of personal concern or interest. Elders particularly may feel this pressure. They legitimately may feel that the community expects them personally to find resolution to issues brought to their attention.

For example, it is not unusual to observe one or more board members suggesting how an administrative matter should be handled, particularly if considerable information and detail has been provided to the board. They may even suggest that they personally should handle the matter and report back to the board.

Effective boards expect and allow their executive director to process administrative matters and to direct staff. While the executive director can “remind” board members that certain matters should be left

to the administration to resolve, it is the board's responsibility to monitor itself in this regard.

Effective boards build organizational success by focusing on the big picture and setting direction. Their members seek sufficient information to perform their governance role, without directly becoming involved in the daily operation of their system and without feeling the need to directly manage the staff.

Confusing the respective roles and responsibilities of the board and the executive director is such a significant problem for boards that separate chapters, Chapters 4 & 5, have been written to address this concern. The role and responsibilities of the board are explained in Chapter 4. Chapter 5 provides board members with an understanding of the important role undertaken by the executive director.

4. Lack of a vision and the strategic planning needed to achieve it

Not all boards give priority to defining a vision and undertaking the planning required to achieve it. This detracts from board effectiveness. If the board doesn't know where it's going, how will anyone else, including staff and constituents?

Boards that are preoccupied with their present issues and circumstances will seldom make the necessary efforts to plan for the future. Because vision-setting is seldom seen as an urgent priority, it is often put on the back burner, as something to be undertaken when other more important tasks have been addressed. The problem with this approach is that there are always other important tasks and other little things to get out of the way.

Strategic planning is a term used loosely by board members. Without a clear vision of what the board intends for the future, any planning the board undertakes cannot be "strategic". Not all planning is strategic, although some board members may assume that whatever planning they undertake must be "strategic". Strategic planning sounds more purposeful than just planning. They may not understand that strategic planning has a specific purpose and focus. Strategic planning is the foundation for moving the organization

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forward from its current reality toward its desired future. It provides a process for change and improvement, from how things are to how the board wants them to be.

Proactive boards focus on the future.

Proactive boards focus on the future. They accept the present reality, but their focus is more with what could and should be. Proactive boards take the approach that we are the masters of our fate, and that the board's actions today shape the growth of the organization for tomorrow.

Proactive boards also acknowledge that unanticipated circumstances may significantly affect their progress toward their goals, and that many things will happen that will be beyond their control. They passionately believe that their organization's future is not the result of its circumstances, but rather is the sum of all the choices and decisions that the board will make as a result of these circumstances. They keep their eyes on the pathways to their vision, not on the detours or the obstacles they'll encounter along the way. Proactive boards remain optimistic about their future, because they know that they can shape and improve it.

Reactive boards do not see vision-setting as a priority, if they see the need for it at all.

Reactive boards demonstrate a very different approach. Their focus is primarily with their present circumstances, and the limitations that restrict them from moving forward. Reactive boards do not see vision-setting as a priority, if they see the need for it at all. Their members will say, "Planning for an improbable future just wastes our time. We'll simply be undertaking a paper exercise that won't change anything. It will cost us a lot of money and then we'll go about doing what we've always done." Or they'll acknowledge the need for planning, but as something to be undertaken only after the more important, urgent and immediate pressures have been dealt with.

Boards that undertake planning without focus, without a clear vision, and without a clear definition of the specific results they desire, find themselves wandering along a foggy pathway with no destination in sight. It's hard to hold them accountable because they've never planned for any predetermined, specific results. They have no defined vision, and they cannot produce written goals specifying their direction.

Typically, board members who do not support a strategic planning process comment:

- “If we can just get these few important matters dealt with, then we should be able to find the time to do some planning.”
- “We have enough problems just dealing with what’s on the board’s plate right now.”
- “Strategic planning is a costly exercise that we can do without. We know what needs to be done. Let’s just get on with it.”
- “We don’t need to spend time setting goals. Let’s just look at the end of the year to what we achieved and what we didn’t.”

It is the board’s responsibility to ensure that there is a clear vision of the desired future for the organization and, further, that the planning necessary to achieve it is in place. The processes of vision-setting and strategic planning are explained in Chapters 6 & 7.

5. **Absence of policy direction**

Ineffective boards give little attention to policy. They become consumed with pressing issues, urgent demands, and their current situations, and they quickly find themselves deeply involved in the management of their system. If they do have a policy manual, it’s outdated, or only occasionally referenced by board members. Very little of their board and board committee agendas and work is focused to policy discussion and debate.

Policy is the process by which a board gives guidance for the daily operation of the organization. Policy guides the expected actions of both the board and staff. It acknowledges that the task of the board is to set expectations for board and staff performance, then to pull back to let the executive director and other staff do their jobs, within the constraints as defined by board policy. It states these expectations in a way that the executive director and staff can feel comfortable that they are working within a framework for decision-making that will be supported by the board.

Policy is the process by which a board gives guidance for the daily operation of the organization.

Approving policy is an integral part of the strategic planning process and is explained in Chapter 7.

6. Misunderstanding the budget's purpose

Nonprofits share common financial challenges. They worry about keeping and maintaining their existing funding levels. Those that fundraise are constantly struggling to find, maintain and build ongoing financial support. Non-profits that rely on government support, for all or a significant part of their funding, worry that this support may be withdrawn, either totally or in part. Seldom do non-profits have guarantees of ongoing funding support, at least to the degree that they do not have to worry about financing the organization's goals.

Because they have no guarantee of long term financial support, non-profits often find themselves caught up with what they can't do because of the funding they don't have.

Typically non-profits, more than just wanting to maintain their current levels of programs and services, also want to increase and expand their operations. This is understandable. They desire to improve life for constituents in their community. Because they have no guarantee of long term financial support, non-profits often find themselves caught up with what they can't do because of the funding they don't have.

It is the organization's goals that should drive the budget, not the board's desire to continue the present operation.

This is unfortunate. The purpose of the budget is to support the direction and goals of the board, not just to carry the system through yet another year of operation. It is the organization's goals that should drive the budget, not the board's desire to continue the present operation.

On ineffective board's, directors want to limit the support of programs and services to those that are readily affordable and within the board's budget.

They will comment:

- “Let’s not put too much time into budget planning. We have barely enough money to continue our current programs.”
- “We can’t even think about providing anything more than what we are currently offering. The reality is that there just isn’t any more money.”

- “To balance our budget, let’s cut funding to each program by an equal percentage. That way everybody suffers the same reduction, and we’re being fair to everybody.”

These are ineffectiveness comments, not effectiveness comments. The purpose of the budget is to enable the organization to fulfill its mandate and the future desired by the board. There should be a direct correlation between the board’s stated goals and its budget.

The purpose of the budget, and the board’s responsibilities in overseeing financial operations, is explained in Chapter 8.

There should be a direct correlation between the board’s stated goals and its budget.

7. Not focusing on results

Effective boards focus primarily on results. Ineffective boards are preoccupied with peoples’ activities and efforts, and particularly on the activities of staff. That this happens is understandable. Non-profits are people-focused. The desire of board members is to improve the lives of their constituents. They want to know what’s happening as it affects their people.

Effective boards focus primarily on results.

One reason that some boards do not commit to measurable results is that they have failed to set any specific goals. Further, they’ve never given attention to developing a clear vision describing the desired future for their organization.

One reason that some boards do not commit to measurable results is that they have failed to set any specific goals.

If there is no clear mission, no clear vision, and no goals, then it makes sense that the board will not be concerned with results.

Typically, board members who are not focused on results comment:

- “Things seem to be going okay. I haven’t been hearing any negative comments or complaints recently.”
- “No news is good news. If people weren’t happy, the board would be hearing about it.”
- “As long as people are trying their best, that’s all we can ask.”
- “We’re in the people business, and people can’t be ‘measured.’”

How the board can ensure a focus on results, and strategies for assessing the effectiveness of programs and services, is explained in Chapter 9.

8. Lack of understanding of the political role of the board

Many First Nations board members are surprised to find that they are “politicians.” As board members, they may not see themselves in a political role. Typically, they may comment, “I’m not a politician. I’m just a community volunteer.”

*To be on a board is to be
a politician.*

Board members must understand that the board has a political function. To be on a board is to be a politician. The board’s directors, as members of the board, are primary advocates for the clients their organization serves.

The political role of boards as advocates for their constituents is explained in Chapter 10.

9. Absence of effective communication strategies

Almost without exception, non-profit organizations identify communications as a challenge for the board. Boards find that, without a communications plan, they can never have enough communication to fully satisfy all of their publics.

Ineffective boards do not have a communications plan detailing their strategies for communicating with their publics and seeking feedback to their decisions and actions.

Typically, non-profits with communications difficulties have board members who comment:

- “We published our schedules of meetings at the start of the year, and we list the time and dates of each of our board meetings in the local paper. What more can people expect from us?”
- “We’ve used three different sources to inform our constituents on this issue – the local newspaper, a newsletter, and the radio – and they still say they haven’t heard what we’re doing. You’d think we hadn’t even tried to communicate with them.”

The board has a responsibility to communicate with its publics and the organization's staff. Communication is a two-way process. Simply distributing information is not good enough. The board must implement processes to ensure that its messages are received and understood.

Developing effective communications is the theme of Chapter 11.

Simply distributing information is not good enough. The board must implement processes to ensure that its messages are received and understood.

10. Ineffective meeting strategies

Board members and the board's executive director will spend many hours in meetings. It is important that all meetings be timely, purposeful, and productive. Otherwise, time is wasted.

It is important that all meetings be timely, purposeful, and productive. Otherwise, time is wasted.

Ineffective boards may be quite proficient at what they do, and may project the impression that things are proceeding well. However, they may be doing the wrong things well. What's worse is that they may not even realize that they are not doing what they should be doing. They may be managing the system by making management level decisions and directing management actions at meetings. This is not governance.

Signs of meeting ineffectiveness include: no agendas, or poorly planned agendas for meetings; lack of background information being prepared or circulated prior to meetings; unfocused discussion; discussing matters not on the agenda; arguing over procedural matters; getting bogged down in debate; unfair criticism, nastiness, and conflict at the board table; and lack of follow-up to board decisions and direction.

Typically, members of boards with ineffective meetings may comment:

- “We’re spinning our wheels and getting nowhere.”
- “Let’s just make a decision and get on with it.”
- “Mr. Chairman, why are we even discussing this? It’s not on the agenda.”
- “That’s a stupid idea. I’d never support that.”

Strategies for improving meeting effectiveness are explained in Chapter 12.

Summary

Efficiency is doing things well. Effectiveness is doing the right things well. Many boards are efficient; few are truly effective.

Board ineffectiveness is primarily the result of a lack of focus and commitment towards seven key governance tasks. Effective boards make these the foundation for all of the board's work. Keeping the focus on their governance responsibilities helps boards properly address the many challenges they commonly encounter.

 **Indicators of board effectiveness**

1. The board is perceived as being innovative and open to new ideas.
2. The board encourages and provides an orientation and ongoing board training for all board members.
3. The role and responsibilities of the board and the executive director are well defined and understood.
4. The board has set a vision for the organization's future.
5. The board strategically plans and sets goals consistent with its stated vision.
6. The board's policies give guidance and direction to the board and staff.
7. The budget is goal-focused and supports the board's vision for the organization.
8. The board's attention is directed towards desired results, and not solely on the activity and efforts of staff.
9. The board understands its advocacy role.
10. The board has in place processes and procedures that contribute to meeting effectiveness.

 **Effectiveness Exercise**

Request that members of your board read this chapter before meeting to discuss board effectiveness. With your fellow board members, brainstorm which of the listed indicators of board ineffectiveness, if any, ring true for your board. Commit as a board to addressing these challenges.

Chapter 3

Board and Board Member Orientation

Separate from any welcoming events and social activities that are planned for you as a new board member, you will need to become oriented regarding the knowledge and skills required for effective board leadership.

Initially, you may feel overwhelmed by the challenges ahead. Whether yours is a small or large organization, there is much to learn, not only about its operations, but also about the operation of the board. Consider your orientation program as only the first step in your ongoing board member in-service program.

It is unrealistic to expect that, as a new board member, you will immediately understand the complexities of the board and the organization, and the background for previous decisions that have lead to the board's current situation.

Before jumping into the fray, determine whether or not an orientation will be provided for you, and which people you should initially contact for information and why.

It is unrealistic to expect that, as a new board member, you will immediately understand the complexities of the board and the organization.

If an orientation program is provided

Orientation of new board members is a board responsibility. Regrettably, not all boards provide orientation programs for their new members. Those that do demonstrate the importance the board places on having incoming members who are knowledgeable, prepared and skilled.

An effective board will have a policy confirming an orientation program for new board members. Such a policy is a statement from the board declaring

the need for new members to be properly prepared for their new role. The specific topics to be covered in the orientation may be listed. A sample policy for new member orientation for a health board follows.

Rationale

The Board believes that new board members should be offered an orientation and training that prepares them for their governance role and responsibilities on the board.

Policy

Following board elections, new board members will be offered a comprehensive orientation program. The orientation program will include:

- *role and responsibilities of the board;*
- *role and responsibilities of the executive director and staff;*
- *the board's mission, vision, values and goals;*
- *strategic planning processes and the board's 5 year plan;*
- *policy development;*
- *budget and finance;*
- *recent reports to the board; and*
- *communications.*

Further, the board supports the attendance of new board members at a provincial orientation program sponsored by the Health Boards' Association.

As you prepare for participation in any of your orientations, consider these questions. Who will be conducting the orientation? How comprehensive is it? What background and information will be provided? Will a tour of facilities be provided?

Who conducts the orientation?

Who plans and conducts the orientation is important. If the board chairperson and other board members are actively involved in the orientation planning and presentations, this is a positive sign. It reflects the importance placed on the orientation by the board and its leader.

Having board members lead the orientation program is not always possible or practical. The board may be new, and all of its members inexperienced and new to their role. The board may have made a commitment to a “governance” approach, but the model is still new to its members and they are inexperienced in governance processes.

Board members may simply be uncomfortable in presenting information and leading discussions. The board may not understand governance and instead have taken a board management versus board governance approach to leading the organization. If this is the situation, having new members observe the actions of experienced board members will simply result in new board members learning habits the board is trying to break.

Ideally, the board chairperson will lead orientation presentations and discussions, and board members knowledgeable and experienced in the governance role of the board will explain governance responsibilities. Wherever possible, board members, and not the executive director, should lead these discussions, particularly where they relate to the operation and responsibilities of the board.

Without any policy or direction from the board, any orientation provided to new board members may be at the initiative of the executive director. That the board has trust and confidence in its executive director to undertake this important task, or that a board expects the executive director to lead the orientation, is admirable. But the board is making a big mistake if it leaves the presentation of an orientation program totally in the hands of the executive director.

The executive director works for and reports to the board. The board is the executive director's boss. The board does not report to the executive director. Having the executive director lead and present the orientation program in isolation may confuse new board members regarding roles and reporting structures.

The executive director should be called on to present information and explain the organization's operation, but it is not the role of the executive director to tell board members how to do their job. Have you ever heard of a situation where the employee calls in his new boss to explain what the boss should be doing and how?

If the board is new, or if board members are uncomfortable, unable or unwilling to help lead the orientation, an independent person with expertise in board governance may be brought in to explain the board's governance role and responsibilities. Experienced board members may ask to participate in such training as a refresher, or to enhance their skills in gover-

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nance. This is an excellent board in-service activity that, when offered on a regular basis, enhances the effectiveness of the board.

What is the focus of the orientation?

Regrettably, not all orientations are beneficial. Many board member orientations provide information about the organization, about the executive director's role, and about the staff and their jobs. This is management information. If the orientation program simply explains the organization's operation, current issues, and ideas the board is considering for their resolution, then its focus is away from the board's role and responsibilities.

What is important is not that the orientation is provided, but rather that new board members receive information and guidance that helps them understand and prepare for the governance role of the board. Use the information in this handbook to determine if your orientation is truly focused to concepts in governance.

How comprehensive is the orientation?

Receiving some information is probably better than receiving no information. The best orientation is one that properly provides guidance regarding the governance role and responsibilities of the board, and then provides the appropriate organizational information and documents, reviews and explains this information, and gives each new board member the opportunity to ask questions for clarification.

The best orientation is one that properly provides guidance regarding the governance role and responsibilities of the board.

At a minimum, any orientation should include:

- an introduction to the board and the executive director, and other staff as time permits;
- a thorough explanation of the respective roles and responsibilities of the board and the executive director;
- copies of planning documents approved by the board that focus on the board's vision, mission, values and goals for the organization;
- a copy of the policy manual and an explanation of policy processes and key policies;
- a copy of the budget and current financial documents explaining the financial operation of the organization; and
- copies of reports and evaluations that relate to matters before the board.

Will a tour of facilities be provided?

Ask what properties and facilities the organization owns, leases or otherwise uses. There may be more than you realize. Board members should be aware of the extent of properties owned, leased or managed, and their condition.

Issues regarding properties and facilities will arise at board and board committee meetings. Where board members have the opportunity to visit their system's facilities, they should do so. A firsthand knowledge of this information will assist board members with future board discussions.

For example, the board of a preschool or daycare society that provides programs and services to toddlers and young children will want to ensure that the property, facilities and equipment are safe. Board members will feel more secure in this knowledge if they have had the opportunity to personally visit facilities and observe programs and services on-site.

What documents are provided?

Several documents will be of interest to new board members. Some directly affect the operation of the board and the organization; others may be provided for information only.

The following documents should be reviewed by new board members. Some may be provided as part of the orientation. Ask for copies or access to those that are not provided.

The Constitution

If your non-profit was formed under the Society Act for British Columbia, the founding board will have been required to create and file a constitution. A society's constitution will contain information specifying such things as: bylaws, duties of directors, accounting records, financial statements, audit procedures, annual general meetings, and quorums, to name a few.

If it exists, ask for a copy of this document. Look closely at the stated founding purpose of your organization; the reason it was created. Does it match your understanding of the organization's current mission?

Relevant provincial legislation

If your non-profit was formed as a result of provincial legislation, for example a public school board, or a public health board, then there will be a provincial Act and accompanying Regulations stating the government's direction and expectations for the implementation of government policy.

Ask for information, and an explanation, about any government legislation and policy that relates to the operation of your non-profit.

Board meeting procedures

The board's meeting procedures, often stated as bylaws, detail the rules of order for the conduct of meetings. Some of the board's meeting procedures may be defined in the constitution. If the board has adopted generally accepted rules of order (usually Robert's or Bourinot's), ask for a copy. It won't make for easy reading, but even an elementary understanding of rules of order will allow you to actively participate in meeting debate, and will enable you to assist the board with its meeting efficiency.

First Nations boards often desire a consensus approach in the conduct of their meetings.

First Nations boards often desire a consensus approach in the conduct of their meetings. A consensus approach requires active listening and a willingness to receive, understand and consider the views of others.

Ask for a copy of the board's meeting procedures, in whatever form it exists. This procedural information will enable you to determine, for example:

- how and when the chairperson is elected;
- when meetings are held;
- start and end times for meetings;
- expectations for board member attendance at meetings;
- what constitutes a quorum; and
- board committees.

Minutes of board meetings

The minutes provide a legal record of the board's decisions.

All boards should keep accurate, detailed records of their proceedings. The minutes provide a legal record of the board's decisions.

Although the primary purpose of minutes is to record decisions made by the board, they often contain additional information. Some boards direct that minutes contain brief explanations and summaries of issues discussed

by the board. It is not intended that the minutes be a transcript of all that was said at a meeting. How a board formats its minutes is determined by the board.

Ask to review the minutes of regular and special meetings that have been held over the past two years. This will give you a good overview of the recent issues that have been discussed by the board, and the board's decisions and actions on various matters. It may also fill in any gaps of information that, for whatever reasons, may not have been covered by the board chairperson or executive director during the orientation.

If you do not receive copies of previous meetings' minutes, you will be given access to the board's master copies. These are the board's official records. It is doubtful that you will be allowed to take them away from the organization's offices. Expect to have to read them on-site at office headquarters. Make your own notes of information that is important to you.

Ask additionally to read the minutes of any closed meetings of the board. While there may be some reluctance to provide you with this information, make it clear that, as a director of the organization, you are entitled to access this information. Make it clear that you understand and respect the confidentiality of this information.

Maintaining confidentiality is a sensitive board issue, particularly in small communities where news travels fast and where people have a more intimate knowledge of others in the community. Board members must respect the confidential nature of information provided during the course of board deliberations. It is improper conduct for a board member to divulge, share or otherwise make public information that has been provided to the board in confidence. This includes not just the content of information, but also who said what, where and when.

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The board's policy manual

You will be issued a copy of the board's policy manual, if one exists. The manual includes important decisions of the board, given as direction to the board and executive director. These decisions and directions will have been written up as policies, in a format as approved by the board. Each of the policies will have been approved by the board at a board meeting. It is help-

ful if the board lists the date of approval of each policy. This provides a historical perspective to issues and helps track back to the minutes of meetings where board decisions were made.

Ask what process the board uses for the development of its policies, if and when policies are reviewed (ask if there is a regular cycle for policy review), how manuals are kept current, and who has copies of the policy manual. Copies should be distributed to board members and senior staff, and other copies should be made available at key locations for reference by staff and constituents.

The content and organization of the board policy manual says much about the board's focus. For what areas has the board developed policies? Are there areas of the operation for which policies have not been developed, and for which guidance might be needed? Do not judge the quality of the manual by its size. Generally, non-profits have too many policies. The quality, not the quantity, of policies is what's important.

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If you discover the board does not have a policy manual, or has one that is so out of date that it is rarely used, this should raise some concerns. If the board's attention is not continually focused on policy, then where is the board's attention focused? You may find that it is deeply mired in administrative matters.

Planning documents

One way to quickly determine if the board has been attending to its governance responsibilities is to ask for key documents used by the board to plan the organization's future.

Has a mission and vision statement been defined, published, circulated and posted? Has a strategic plan been developed to guide the transformation of your organization from its present situation toward what the board desires for its future? Are there board-approved goals that have been published and distributed throughout the system?

If any or all of this planning occurred, determine if the board is committed to its planning processes for the long term, or if any of these activities

undertaken are simply paper or administrative exercises, with no real intention that the board will see them through to completion.

Budget documents

One document of primary interest to new board members is the budget. The board is the guardian of the organization's finances. Board members should receive detailed information regarding budgets and the financial operation of their system. They should receive this information in a timely fashion, and in a format that is easily understood. At a minimum, an incoming board member should receive a copy of the current budget and the last report to the board stating current levels of spending and expenditures. These should be explained to you and you should have the opportunity to ask questions.

*The board is the guardian
of the organization's
finances.*

It is important that all board members properly understand and be familiar with the organization's budget and financial processes, as the board is ultimately accountable for the organization's funds. To help its members understand the area of budget and finance, some boards ask their executive director to develop a budget information binder for board members. Budget information binders contain such information as: a copy of the current operating budget (and, if appropriate, the current capital budget); policies approved by the board that give guidance for finance and budget matters; the established process, criteria and schedule for the building of the organization's budget; copies of budget status reports for the current budget year; and a copy of any financial or budget goals set by the board for the current or future years.

*The board is ultimately
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Internal and external evaluation/accreditation reports

Boards want to be assured that the programs and services their organizations provide are beneficial, of good quality, and meet constituents' needs. To check on the value and cost effectiveness of their programs, services and facilities, many boards desire to have them formally evaluated. These evaluations may be internal, meaning they are conducted using staff from within the organization; or external, meaning that outside experts are invited, or consultants are hired, to give an outside perspective regarding one or more aspects of the organization's operations.

For example, the provincial government requires that some organizations regularly undergo a formal evaluation process known as accreditation. Schools and hospitals are just two examples of facilities that have their institutions accredited on a regular basis.

If you serve on a board for an organization that must conform to such requirements, you will need to learn how the accreditation process works. Normally, accreditation processes require that the staff and the board first review their internal operation. Subsequently this internal assessment is reviewed and checked by an external person or team to ensure that the organization meets predefined requirements. Participating institutions that do not meet specific, predefined accreditation standards are required to file improvement plans. This is the government's strategy for ensuring that there is consistency in the provision of programs and services, and that such programs and services meet minimum standards.

Accreditation is only one specific form of an outside evaluation process. There are others. For example, the First Nations Schools Association has developed an assessment process for First Nations schools throughout the province. A school undergoes an extensive and comprehensive internal assessment process to determine if students, staff, parents, elders and community members are satisfied with the school's programs. After considering all feedback received, the school develops a plan for improvement and growth. An outside, external assessor is involved in the process, but not to measure the school's performance against set standards and criteria. Rather, the external assessor is a colleague from another First Nations school who reviews the results of the assessment process and suggests how the school might clarify its strengths, challenges and areas for improvement.

Regardless of how the assessment is undertaken, it is important that board members read the assessment reports and recommendations, and discuss the board's expectations for follow-up.

Ask what programs and services the board has had evaluated over the past five years, if there is a cycle and schedule of evaluations, and which are evaluated internally and which externally. Determine what follow-up occurred.

The organization's annual report

Your board may have a policy directing that an annual report be published. If it does not publish an annual report, ask why.

Many annual reports are simply public relations documents that list an organization's achievements and explain its programs and services. Some contain statistical information, often in the form of financial and budget summaries and statements. Yet others list goals for the year(s) ahead and plans for achieving them.

Usually, the annual report of an organization is prepared by staff and presented to the board for approval before it is released to constituents and, if applicable, to the public.

Ask for a copy of your board's most recent annual report. Study the information presented. Who prepared the report, and who determined its content? Is the report informative? Might there be important information that is not reported, but should be?

Reading your organization's annual report will provide you with an internal perspective of your organization.

Annual Calendar of Events

Many organizations produce an annual calendar of activities and events. These include listings of: annual general meetings; annual conferences; board meeting dates and times; and important events and activities of the organization throughout the year.

For large organizations, a separate board calendar of events may be produced that lists scheduled board activities and events for the year ahead.

As a non-profit board member, there will be many demands on your time. Plan it wisely. Use this information to plan your schedule.

The organization's directory

Also called the staff directory, this document may additionally list contact addresses for board members. An organization's directory lists its employees

and their job titles and, in some cases, their specific assignments. It may list who does what, and to what site or facility they have been assigned.

The directory will typically list: names; positions and assignments; office addresses, phone and fax numbers (and possibly e-mail addresses). Those that contain home addresses and phone numbers may be more restricted in their circulation in consideration for the privacy of employees.

The purpose of sharing the directory with board members should be clarified. It may help board members better understand the operation of the organization. It provides a list of who to contact for information. For example, a board member who wishes factual information about an event or activity should feel free to phone an employee directly.

It should not be distributed as an invitation for board members to contact staff directly about matters that should be more properly discussed with the executive director. For example, if the executive director is dealing with a sensitive personnel matter, it is inappropriate for board members to contact employees directly to find out for themselves exactly what is happening.

The organization chart

Many organizations have moved away from publishing the traditional, pyramid-style organization chart that lists positions, reporting structures, and the “chain of command.” Such charts are perceived to continue a rigid, hierarchical style of leadership and management.

Traditionally, these charts showed a clear line of separation between the board and its executive director and staff. In progressive organizations, this line-in-the-sand approach has been replaced with a more positive team approach where it is expected that a strong board with a strong executive director plan the growth and improvement of the organization. The executive director still reports to the board, but the structure is more team-oriented.

Ask for a copy of the organization chart. How is the board and the executive director listed? How positions, and the reporting structures, are listed will give you an insight into the organization.

If an orientation program is not provided

If your board does not provide its new members with an orientation, that raises some interesting questions for reflection. What are the expectations of experienced members for those new to the board? Is it expected that you will be left to your own initiative to get information and “learn the ropes?”

If you are not provided with an orientation, refer to the list of documents previously mentioned in this chapter. Create your own orientation by becoming familiar with this information and by asking the following questions.

Questions asked by new board members

1. **What questions should I be asking, and of whom?**

New board members want to know what questions they should be asking, and of whom. The “right questions” section at the end of each chapter will assist you in this process.

Effective board members are not those who try to provide answers to all of the issues in front of the board. Effective board members are those who learn to ask the right questions. The right questions are those that force everybody to think about what they are doing and why, and how these actions relate to the stated purposes of the organization.

*Effective board members
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For example, when the annual budget is being prepared, boards inevitably find that there are insufficient funds to support all budget requests. There may not be enough money to continue present levels of service, never mind those additional programs and services that the board would like to implement. Some hard decisions have to be made.

Without a focus, and without criteria and a process, everything becomes a target for budget cuts. A board member may suggest that everything be cut equally “across the board.” That’s a way of saying that everything is equally important. Everything is not equally important. Some things are more important than others, and the board’s goals, and the budget, should reflect the organization’s priorities.

Without a defined process for dealing with budget issues, it's easy for board members to suggest cuts to staff, and specific programs or services that don't make sense to them, or which they don't personally support. This is an unhealthy way to approach budget design and development.

The proper way to build the organization's budget is to support the goals approved by the board. The budget should always be a logical consequence of the board's approved priorities.

The effective board member, then, doesn't start budget discussions by asking what should be cut. The effective board member starts with the question:

What is it that we are trying to accomplish?

As you proceed through the chapters in this handbook, you will learn the appropriate questions to ask about every area of the system's operation.

2. *Initially, who should I be contacting and for what reasons?*

For matters concerning the operation of the board, first contact the board chairperson. For matters concerning the organization's daily operation, contact the executive director.

*Nothing is resented more
by board members than
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left out of the information
loop.*

Caution: In some organizations, information is power and is jealously guarded. Nothing is resented more by board members than finding out they have been left out of the information loop, and that one or more of their fellow members have information that has not been communicated equally to all board members. Where information within an organization is not shared freely, the action of a new board member personally contacting the board chairperson or the executive director directly for information may be viewed with suspicion. To avoid the perception that the chairperson or the executive director may be showing favouritism by sharing information with you personally, understand that the executive director may announce that any information shared with you automatically will be shared with other board members.

Any information provided to you should be equally made available to other members of the board. Putting your questions in writing, sharing them with fellow board members, and asking questions in situations when all board members are present, will lessen suspicions and concerns.

Examples of questions to separately ask the board chairperson and the executive director.

- What is the board's relationship with its executive director?
- What does the board chairperson identify as current issues?
- What does the executive director identify as current issues?
- What is the financial status of the organization?
- Does the organization have defined vision, values and mission statements, and written long- and short-term goals?
- What planning documents exist that support the board's goals?
- What programs and services have been evaluated and what were the results?
- Do the board and the executive director operate effectively as a team?

As a new board member, you will gain a valuable insight into the organization from this exercise. Do both the board chairperson and the executive director share the same information? Are their perspectives on issues the same, or do they see the same situations differently?

You will find that one of the first indicators of effective communication is the openness with which the board chairperson and the executive director discuss board and organizational matters. A positive sign is open and direct communication and easily accessible information. A negative sign is people's unwillingness to provide or share information, and difficulty in getting written information.

3. *What exactly is expected of me?*

Your constituents expect that you quickly will become effective as a board member. Your first task is to become oriented to your new role and to seek and acquire the information you need to become a knowledgeable and informed board member.

Three immediate strategies you can use to get started are:

- read your organization's most recent annual report, if one exists;
- review the minutes of board meetings for the past two years; and
- read the board's current policy manual.

Summary

The board is responsible for providing a comprehensive, practical and meaningful orientation for new board members. Ensuring that the board has a policy stressing the importance of board member orientation and training, and outlining the board's expectations, provides ongoing direction to future boards and administrators.

The governance role and responsibilities of the board should be presented and explained by an experienced board member with a firm understanding of governance. This task often falls to the board chairperson. The executive director should be involved in the orientation program planning and presentations, and in the explanation of programs and services, but should not lead nor present the entire program in isolation from the board.

Consider yourself fortunate if the board chairperson and the executive director together plan and present new board members with a comprehensive orientation program, thereby demonstrating a team approach to leadership for the organization.

If no orientation program has been planned, create your own by following the guidance suggested in this chapter.



The Right Reflective Questions

Board and board member orientation

1. Is an orientation program offered for new board members?
2. Who conducts the orientation program, and why?
3. Is board governance the focus of the orientation?
4. What information about the organization is offered to new board members?
5. Is information, and are documents, freely accessible to new board members?
6. Is a tour of sites and facilities offered as part of the orientation program?
7. Does the board encourage and sponsor the attendance of new board members at external board member orientation programs?



Indicators of Board Effectiveness

- New board members receive a comprehensive orientation that focuses on the governance role and responsibilities of the board.
- The board leads and actively participates in the orientation program, and the executive director assists the board in this process.

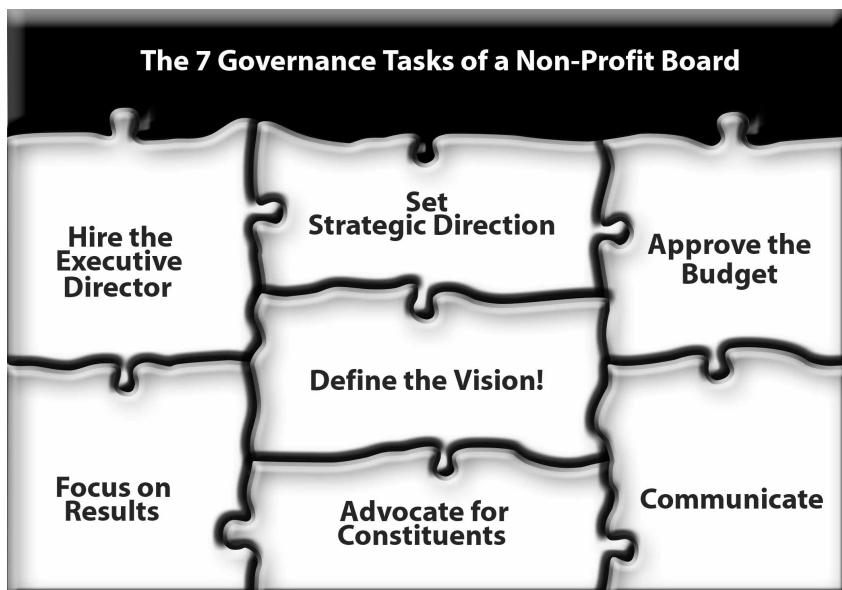


Effectiveness Exercises

1. What changes to the orientation program do you recommend as a result of your orientation? Share this information with the board chairperson, your fellow board members, and the executive director for the benefit of future board members.
2. Ask experienced board members to reflect back on their first weeks and months on the board. In retrospect, what information and guidance would have helped them to become more effective more quickly? What changes to the orientation program for new board members do they recommend? Ask that these changes be implemented for future board members.

Chapter 4

Role and Responsibilities of the Board



A challenge for board members is differentiating the role and responsibilities of the board from those of the executive director. Boards that do not have a clear understanding of governance and who are not committed to their governance responsibilities find that their attention quickly drifts towards management, that is, the activities and efforts of the executive director and staff.

When this occurs, confusion and conflict develops. The board begins to duplicate the job of the executive director and, more importantly, governance tasks are not accomplished. When governance is not the focus of the board, the organization suffers.

What is the role of the board?

The role of the board, in a single word, is governance.

The role of the board, in a single word, is governance. To govern is to set the direction for the organization's future. Governance focuses on a clear definition by the board regarding the purpose (mission), desired future (vision), values, goals and policies for the organization.

Boards must be highly disciplined in building and maintaining this governance focus. New board members rarely arrive at the board table with expertise, training or experience in a governance model. Their natural tendency is to be concerned with the operation of the organization and to be interested in how it functions. They may have a greater interest in learning more about the jobs of the executive director and staff than they do in learning about the proper job of the board.

This is particularly true in smaller communities and in smaller organizations where board members have a much more intimate knowledge of the system's workings, its staff, and its constituents.

What are the primary responsibilities of the board?

Effective boards focus their attention primarily to the following seven governance responsibilities.

1. **Hiring and monitoring the performance of the executive director**

The board's executive director is its key staff member who, for all intents and purposes, should be regarded by the board as its single employee.

The executive director provides expert advice to the board, makes recommendations for board action, and implements the direction and decisions set by the board. The executive director, not the board, provides staff leadership and staff direction, according to policies approved by the board.

2. **Defining the vision**

An organization's vision is its dream for its future.

An organization's vision is its dream for its future. It is the board's responsibility to ensure that a clear vision is defined for the organization.

The vision describes, usually on a single page, what the organization will look like at some future date. Ideally, it reflects the future desired by the majority of its members, and is not set by the board in isolation.

3. *Setting strategic direction*

Planning is “strategic” to the extent that it leads the organization from its current reality toward its desired future, that is, its vision. The board sets this strategic direction by clarifying the organization’s mission, vision, values, goals and policies.

Once the expectations for the organization’s future have been clarified, the board must set a schedule for the completion of both short and long term goals.

4. *Approving the budget*

The purpose of the budget is to support those specific goals that help the board achieve the system’s mission and vision.

The budget is not solely to maintain the system’s annual operation. It is an integral part of the change process as the board works towards the achievement of specific goals.

5. *Focusing on results*

A board’s focus should always be directed toward its mission and vision, and the results it desires to achieve.

Only when the organization’s purpose is clear, its vision and values well defined, and its goals specific, can the board be expected to maintain a focus on desired results. Without this focus on results, the board attention often shifts to management, and specifically an interest in the activities and efforts of staff.

While people should be recognized for their positive activity and effort, what creates success is results. Results should be the primary focus of the board.

Results should be the primary focus of the board.

5. Advocating for constituents

The board has a political role as an advocate for its constituents. Constituents place their trust in the board and expect the board to provide strong leadership and to lobby for support of the organization's visions and goals.

6. Communicating

The board has a responsibility to ensure that its publics are informed about the organization's mission, vision, values, goals, policies and achievements. It also has the responsibility to listen, seek input and hear feedback from its constituents.

To the degree the board attends to these seven governance tasks, it enhances its effectiveness and achieves its purpose.

The board as a form of “government”

Boards that commit to a governance model of board leadership require a thorough understanding of the concept of governance. One way to grasp the meaning of governance and the role and responsibilities of the board is to think of the board as a form of “government.”

In a government are politicians, whose job it is to govern – that is, set direction and make laws, referred to as legislation – for those constituents under their jurisdiction. Similarly, on a non-profit board are politicians whose job it is to govern – that is, set direction and make policy – for some specific aspect of community life as it affects those constituents under their jurisdiction.

Think of your board as the current government in power for your organization, and the board members as its politicians.

Think of your board, then, as the current government in power for your organization, and the board members as its politicians. Just as a government sets direction by defining its vision, setting goals, and approving policies, so too does the board define its vision, set goals and approve policies for its term in office.

What is the board's accountability?

The board, as the governing body, is accountable for everything that happens within the organization. As a result, some board members may feel

that the board has both the right and the responsibility to be informed of anything and everything about the organization that interests them. Further, they may feel that board members have the right to involve themselves in any aspect of the board's operation.

Although the board retains the ultimate accountability for everything, it cannot reasonably be expected to be informed of everything and to be involved in everything. Some things the board should do; other things the staff should do. They can't both do the same things; neither can nor should they "share" responsibilities. The board has to be willing to assign responsibilities to others – primarily the executive director, who in turn assigns responsibilities to staff. The question for the board becomes "What should the board do and assume direct responsibility for, and what responsibilities does it pass on to the executive director?

What are the powers of an individual board member?

None!

Board members are surprised to learn that they have no individual powers. They personally may have observed board members giving direction to staff. They may have heard board members individually speaking to the media and making comments on behalf of the board, when no board permission was given for the individual to represent the board. The board chairperson may speak on behalf of the board without authorization from the board. Because certain practices are in place does not mean they are correct or appropriate.

Board members are surprised to learn that they have no individual powers.

The board exists as a corporate body. The board is the legal entity, not its members individually. It exists only when it is in session at a duly constituted meeting. Anything that board members do, individually or collectively, must either be with permission of the board from an earlier meeting, or must be ratified by the board at a subsequent meeting.

The board exists as a corporate body. The board is the legal entity, not its members individually.

With this understanding, it becomes clear that the board, and not its members individually, provides the direction for the organization and to the executive director. Similarly, it becomes clear that the executive director takes her direction from the board, and not from board members individually.

For example, the board of a friendship center may meet informally with a group of constituents to explain some program matter under consideration by the board. After the presentation, the board may seek feedback and ideas from constituents, and may include a question period. A constituent may put a specific question to board members and they may all concur that a specific action needs to be undertaken.

It is important that the constituents not leave this meeting feeling the board “made the decision” on the matter, even if all board members agreed on a course of action. The board cannot make decisions if it is not in session. In this situation, the board chairperson should make it clear that the matter in question will be put on a board meeting agenda for resolution by the board at a properly called meeting. Obviously, it will be a cause for concern if all board members agreed that something is to be done, and left the definite impression that something will be done, and then one finds the board voting against it at the next board meeting!

Board members, whether individually or by committee, cannot make decisions on behalf of the board. This includes the board chairperson. Actions of board members, individually or by committee, must be formally ratified by the board at a board meeting if they are to properly be called “board” decisions.

Board members who decide in their own to meet away from the board table to discuss or conduct business do so without authority

Board members who decide on their own to meet away from the board table to discuss or conduct business do so without authority. Such meetings will occur, much to the frustration of other board members who feel that all discussion and debate should be at the board table. There is nothing to prevent board members from meeting and communicating informally among themselves. What’s important is that there be appropriate discussion and debate at the board table, so it is obvious that any decisions made are those of the board.

Effective board members conduct their business, deal with matters, discuss and debate issues, receive and consider recommendations, and make decisions by board motion at properly called board meetings.

How is the board chairperson selected?

Every group needs a leader. Although boards often elect their leader at the inaugural meeting of the board, this practice varies.

The election or appointment of the chairperson is as defined in the board's meeting procedures. Some boards desire that the chairperson position rotate annually or biannually to give more than one board member the opportunity to lead the board. Other boards find comfort in a strong leader who represents the board well and who is willing, with the confidence of the board, to remain in the position. Both approaches are fine.

What are the duties of the board chairperson?

The board chairperson, often elected by the board at its inaugural meeting, is acknowledged as the board's leader. The chairperson traditionally acts as the board's spokesperson and is viewed as the communication link between the board and the executive director when the board is not in session.

The chairperson focuses the board to its governance role and responsibilities. The chairperson does not, without the approval of the board, make board level decisions, speak on behalf of the board, or direct the executive director. The board chair can only undertake what the board allows.

The chairperson's specific responsibilities and duties, as approved by the board, should be stated in the board's business bylaw. A chairperson's primary duties are to: prepare for and conduct board meetings; provide leadership at and away from the board table; act, with the authorization of the board, as the board's representative and; with the executive director, ensure follow-up to decisions of the board.

The board chair can only undertake what the board allows.

The chairperson normally leads the agenda committee and, in consultation with the executive director, prepares the agenda for board meetings.

How are board committees formed and what is their purpose?

Board committees are formed in a manner as approved by the board. It is for the board to decide what committees it needs, their purpose, their membership, and their terms of reference. The board's committee structure and operation is often explained in board policy.

It is for the board to decide what committees it needs, their purpose, their membership, and their terms of reference.

Terms of reference should be defined for each committee, and should include, at a minimum, the committee's:

- membership (Who will be on the committee?)
- purpose (Why does it exist?)
- duties (What is the committee expected to do?)
- communication and reporting mechanisms (Who will the committee communicate with, and how will the committee report back to the board?)

Board committees exist to help the board govern, not to help the executive director manage the system.

Board committees should always be established to serve a board function and never a management function. They exist to help the board govern, not to help the executive director manage the system. They exist to help the board achieve the organization's vision, mission and goals, not to assist the executive director with defining, assigning and supervising the staff duties and responsibilities.

Board members should not serve on management committees.

Board members should not serve on management committees. Boards provide direction to the executive director through goals, policies and decisions made at the board table, not through board committees, nor through other avenues such as management committees. When board members sit on management committees, discussing administrative and management issues, it is only natural that they will want to help make management decisions and will want personally to give direction to the executive director. This is not the role of board members.

What committees does a board require?

If board committees are formed inappropriately, they detract from the board's primary role of governance. Boards are wise periodically to review their committee structure to ensure that they have formed their committees for the right reasons.

How boards define and establish their committees is an indicator of board effectiveness. Effective boards establish committees that assist them in fulfilling their board governance roles and responsibilities. Two committees that a board properly establishes are planning and policy committees. Planning and policy are legitimate areas for board attention.

A review of a board's committees may indicate the degree to which a board has taken on a management role. Boards that create board management, personnel, housing, facilities, or curriculum or program committees should review their reasons for doing so. Instead of serving a board governance function, these may be excuses for the board to involve itself directly in the administration of the organization.

Who are the members of board committees?

Membership on board committees is as defined by the board. The board chairperson normally assigns board members to various committees. In making these appointments, the wise chair gives consideration to each board member's experience, interests and talents. Board members should have the opportunity to serve on a variety of committees. Many boards annually rotate membership on board committees. In this way board members gain a more comprehensive understanding of board matters.

Unless created as a committee of the whole, board committees normally consist of a minority of board members. With this structure, a committee never has a majority of board members, and there is less confusion about committee recommendations having to be brought forward to the entire board for approval.

Neither the executive director nor other staff should be given membership on a board committee. The executive director is not a member of the board, nor should she be a member of any board committees. The executive director and other senior staff may be invited to attend and participate in board committee meetings in an advisory capacity.

The executive director is not a member of the board, nor should she be a member of any board committees.

What is the difference between a standing committee and an ad hoc committee?

A standing committee is a permanent, continuing board committee. Membership on standing committees should be restricted to board members. The executive director normally attends all standing committee meetings as an advisor, or will send a staff representative. An example of a standing committee is the board's policy committee, appointed by the board to assist with policy issues and to make recommendations regarding policy matters.

An ad hoc committee is established for a specific purpose and to undertake a specific task. Ad hoc committees are of a temporary nature. They are established for a specific period of time, until the work of the committee has been finished and reported to the board. Membership on ad hoc committees will vary according to their purpose, and may or may not be limited to board members. Membership often includes staff and constituent representation. An example of an ad hoc committee is a “community school committee” created by a board to investigate the need for a new community school as a facility to be operated under the jurisdiction of the board. The board may desire to have staff, parent and elder representation and participation on the committee.

What is a committee of the whole?

A committee of the whole is a committee consisting of all board members. Board planning and policy committees will often be established as committees of the whole.

All board directors are members of the committee of the whole, but their meeting is a committee meeting and not a board meeting. Consequently any recommendations from the committee still must go forward for consideration at a properly constituted board meeting. The executive director attends these meetings, along with any other staff as appropriate.

Summary

The role and responsibilities of the board are different from those of its executive director. The board exists, and exercises authority, as a corporate body. Board members do not have any individual powers.

The board has seven key governance responsibilities:

- hiring and monitoring the performance of the executive director
- defining the vision
- setting strategic direction
- approving the budget
- focusing on results
- advocating for constituents
- communicating

Several committees may be established to assist the board in its work. Board committees should relate to specific governance functions of the board. Two key board committees are planning and policy. These committees may be established as committees of the whole.

Board committees are standing, meaning they are continuing, or they are ad hoc, meaning they are of a temporary nature and for a specific purpose.

BOARD AND ADMINISTRATIVE RESPONSIBILITIES - A QUIZ

For each of the following situations:

- Place a B beside the statement if you feel it is a board responsibility and requires a board decision.
 - Place an A beside the statement if you feel it is an administrative responsibility, and should be a decision for the executive director.
- _____ 1. Determining if a tradesperson in the maintenance department has the proper job qualifications.
- _____ 2. Reprimanding an employee for speaking inappropriately to a constituent.
- _____ 3. Purchasing a two-year supply of paper for the administration office as a result of significantly discounted stock.
- _____ 4. Approving the tender for the purchase of land for future site development.
- _____ 5. Approving the purchase of furniture for the executive director's office.
- _____ 6. Overspending the organization's annual operating budget.
- _____ 7. Planning the board's program for its annual planning and board in-service program.
- _____ 8. Amending the duties of a program manager.
- _____ 9. Deciding what type of vehicle should be purchased or leased for the executive director.
- _____ 10. Determining the new site to which an employee should be assigned.
- _____ 11. Purchasing two new computers, one for the executive director, the other for the office secretary.



The Right Reflective Questions

Board role and responsibilities

1. Do the actions of board members demonstrate that they understand the board exists as a corporate entity?
2. Do board members understand that they do not have any powers individually?
3. Do board members show respect and tolerance for the opinions of others?
4. Is the board focused to its governance role and the seven key responsibilities of a board?
5. Does each board committee serve a governance versus a management function?
6. Have written terms of reference been defined for each of the board's standing and ad hoc committees?
7. Does membership on board committees change regularly to expose all board members to various facets of the board's operation?
8. Have the role and duties of the board chairperson been clearly defined?



Indicators of Board Effectiveness

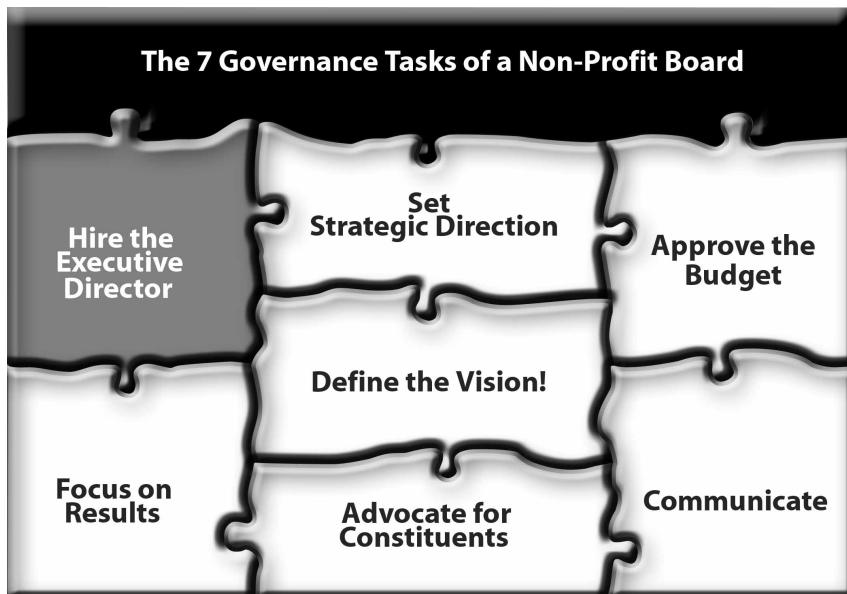
1. The actions of board members demonstrate an understanding of the respective roles of the board and its executive director.
2. The board operates as a corporate body.
3. Board members understand, and commit to, the concept of the board as a corporate entity.
4. The board chairperson does not take action unilaterally. Rather, the actions of the board chairperson are undertaken with the approval of the board.
5. Board committees serve a governance function, not a management function.

★ **Effectiveness Exercise**

Have board members and the executive director separately list specific areas where there may be confusion regarding the respective roles and responsibilities of the board and the executive director. Do the board and the executive director share common concerns? Commit to resolving this confusion and clarifying the job of the board and the job of the executive director.

Chapter 5

Role and Responsibilities of the Executive Director



Few issues cause more conflict between a board and its executive director than misunderstandings and confusion regarding their respective roles and responsibilities. In this chapter the role and responsibilities of the executive director are explained and differentiated from those of the board.

The board's role and responsibility in the hiring of the executive director and monitoring her performance is introduced. This is the first of the seven governance responsibilities of a board. The remaining six governance responsibilities are explained over the following six chapters.

Few issues cause more conflict between a board and its executive director than misunderstandings and confusion regarding their respective roles and responsibilities.

Hiring the executive director

An important task of any board is the hiring of its executive director. Few other decisions of a board will have greater impact for the organization than

The board should consider the executive director as its single staff member.

that of the individual hired to assist the board with its work, implement its direction, and lead the staff. The board should consider the executive director as its single staff member.

The board may want to involve others in the process for hiring the executive director, but it is important that the board keep control of the decision to appoint the successful candidate.

Unless you are on a founding board, you may not have this hiring opportunity. Your organization probably already has an executive director, or equivalent. A new board inherits the organization's existing executive director. Many board members will serve their entire terms of office without going through this hiring process.

Once the executive director has been hired, it becomes the board's responsibility to monitor her performance.

Once the executive director has been hired, it becomes the board's responsibility to monitor her performance. Strategies for monitoring the performance of the executive director are discussed later in this chapter.

If the executive director leaves the organization, the board should invest significant time and effort in finding a replacement. The effective board begins by defining its expectations – terms of reference, criteria and a process. It is not a matter of finding just any administrator. The board wants an administrator who meets its expectations for job performance, whose values and approach will be consistent with those of the board, and who will work with the board in a team relationship.

A first step in the hiring of a new executive director is to define the qualifications, education, experience, and any other considerations desired.

Next, the board should ensure it has clarified, in writing, the respective role and responsibilities of both the board and the executive director. This is an important task. The board and its administrator will work together closely. The smaller the organization, the closer the relationship. It is important that both the board and the executive director understand their respective roles and responsibilities.

The board should define the decision-making authority of the executive director.

Further, the board should define the decision-making authority of the executive director. Otherwise, the executive director may arrive thinking she is going to be able to make all sorts of decisions, only to find that the board

won't support her. Such confusion leads to serious conflict and frustration, for both the board and the executive director.

Hiring the executive director, then, is more than finding a competent individual who has the training, background, and experience the board desires. Just as important is the individual's leadership style, her approach to problem solving, and her ability to get along with and motivate others. Additionally the board should ensure that its executive director shares the vision, goals, and values the board has set for the organization.

Making the wrong decision and choosing an executive director who does not share the board's vision and values may prove costly in the long term. If the Board keeps the executive director on, it will be frustrated with having a person leading the staff who is either unable or unwilling to mirror the board's approach to issues. If the Board dismisses the executive director, it will cost the board a severance because it has no cause. Not liking the individual or finding out after the fact that she does not share the board's expectations or values is not grounds for a dismissal with cause.

Because board members are rarely trained in the recruitment process, they should think carefully about taking on the entire responsibility for the hiring of the executive director. The use of a professional recruitment firm, or an outside consultant, to assist the board with the process are options, but may be perceived as expensive.

The board must also decide if it wants to include others, such as representatives from staff and constituents, in the hiring process. It has become trendy to include a wide group of representatives from staff and constituent groups in different aspects of the hiring process. Some boards may form an ad hoc hiring advisory committee to help them recruit and select their new executive director. (A word of caution here. Never appoint an advisory committee to the board unless you are prepared to accept the advice of the committee.)

The board should ensure that its executive director shares the vision, goals, and values the board has set for the organization.

What is the role of the executive director?

The role of the executive director is different and separate from that of the board. Both provide leadership, but in different ways. The board's leadership is through effective governance; the executive director's leadership is through effective management. The only group the board should manage is itself. It

Never appoint an advisory committee to the board unless you are prepared to accept the advice of the committee.

The role of the executive director is different and separate from that of the board.

should not involve itself directly in the management of staff. That's the job of the executive director. It's the reason the executive director is hired.

Although the executive director does not govern, the wise board will use the leadership talents of the executive director to assist it in its governance role. The executive director assists by providing information, facilitating governance processes, advising and making recommendations, and finding appropriate outside help for the board. Asking the executive director to assist is appropriate and is encouraged. The board, however, should never delegate its governance responsibilities to its executive director. Governance is, and should always remain, a board function.

*The board should never delegate its governance responsibilities to its executive director.
Governance is, and should always remain, a board function.*

Leading the staff requires an executive director with knowledge, training, skills and experience in managing organizations. It is neither expected nor intended that board members have these qualifications. To lead and manage the system, the board hires an expert, the executive director.

Boards should expect strong leadership from their executive directors

The executive director does more than just “implement” the direction of the board. Although the executive director is not part of the board, she is part of the board’s leadership team. She assists the board in fulfilling its role and responsibilities by helping the board transform the organization from what it is, its current reality, to what it can be, its desired future.

What are the responsibilities and duties of the executive director?

The executive director is responsible to the board for the efficient and effective operation of the organization, according to direction, plans and policies as approved by the board.

The executive director is responsible to the board for the efficient and effective operation of the organization, according to direction, plans and policies as approved by the board.

The executive director’s primary task is to implement the direction established and approved by the board.

The duties of the executive director include:

1. assisting the board in its governance role;
2. implementing the board’s direction;
3. hiring, supervising and evaluating the staff;

4. ensuring that staff actions are consistent with the mission, vision, values, goals and policies as approved by the board;
5. supervising the programs and services offered; and
6. preparing reports and providing information as requested by the board.

The executive director as chief executive officer

Board members want their organization to be successful. They understand that while the board can fulfill its governance responsibilities, they require a talented executive director with expertise they don't have to do a job that is not for the board to do.

In determining the executive director's level of accountability, a board must decide if it is prepared to appoint its executive director as the organization's chief executive officer (CEO). In appointing the administrator of the organization as its CEO, the board passes a message regarding the executive director's status. The term CEO has special meaning within non-profit organizations - the CEO is the senior staff person delegated full responsibility and authority for the successful operation of the organization, in return for full accountability to the board.

Regrettably, while many executive directors are appointed as CEOs, few are, in practice, truly CEOs for their organization. The term is used rather loosely within non-profits. This ultimately creates confusion and conflict between the board and the executive director. The most common complaint from executive directors is that the board demands accountability from them without giving them the corresponding level of responsibility and authority. Board behaviour traditionally shows that boards want to retain controls on the management of their system, and that boards are reluctant to take on a true governance role.

In appointing the executive director as its chief executive officer, the board acknowledges that:

- all employees report up, and communicate with the board, through the executive director;
- the executive director is responsible for hiring, assigning, supervising and dismissing all staff; and
- the executive director has full responsibility and authority for managing the daily operation of the organization.

A quick test to determine if an executive director appointed as a chief executive officer is truly the CEO is to clarify the executive director's responsibilities and authorities in the hiring and dismissing of staff. In a true CEO structure, the hiring of all of the staff will be the responsibility of the CEO. The board's check on this process is any policy direction it has provided. With an executive director appointed as CEO, it is understood that the board will not become directly involved in the process of hiring staff other than to ratify the executive director's hiring decisions.

For example, suppose your non-profit needs a new financial officer. If the executive director is truly the chief executive officer (assuming, of course, that she has been given that appointment), then the board should not be involved in the hiring. The reality is that many boards demand that its members, and in some cases the whole board, be directly involved in the hiring of senior staff. It is not unusual to find a board that excludes the executive director from the hiring process and actually hires the finance officer itself!

The only restriction on the executive director should be her adherence to any policy the board has set regarding the hiring of employees. The board's role is to set the hiring policy, not to involve itself in the hiring process. Many boards either do not understand this, or do not accept it. The board can't have it both ways; that is, demanding accountability, but not being willing to give the executive director full authority over hiring.

While board members see the logic in this explanation, they are often reluctant to grant this degree of hiring authority to their executive director.

This is a major problem in non-profit organizations. The board wants and expects a high level of accountability from its administrator, but is unwilling to assign the corresponding authority. Boards will do well to reflect on this problem, and clarify the levels of authority and the accountability they expect for their executive director.

The executive director's role in the “government” of the organization

In the last chapter, we used the analogy of the board as a form of government to describe the board's role. We continue this analogy in this chapter to describe the corresponding role of the executive director.

In government, politicians hire administrators to implement the direction and decisions set by government legislation and policy. At the provincial level these administrators are senior officials - deputy ministers and assistant deputy ministers - in a government ministry. Or they are senior officials appointed to lead a government corporation or organization. They work for the government and are expected to implement government decisions and policy. Further, they provide leadership to the staff under their direction.

Similarly, to lead the staff and implement the direction and policy as set by the board, the board hires an executive director with expertise in managing organizations.

What are the board's expectations for the executive director's job performance?

Much of the conflict and frustration that occurs between boards and their executive director is predictable. Not all boards make the time, at the start of an executive director's assignment, to clearly and directly specify their expectations for job performance to the executive director. This is unfortunate and can lead to serious misunderstandings, confusion and conflict.

Much of the conflict and frustration that occurs between boards and their executive director is predictable.

In some cases, this role confusion results from a lack of definition of the terms of reference for the role, responsibilities and duties of both the board and the executive director. In other cases, frustration builds when there has been a clear definition of roles but then the terms of reference are ignored as individual board members do whatever they believe is their right to do, regardless of written direction.

While board members should not think that there is a definite line in the sand dividing these roles, the roles are different and distinct and they can easily be differentiated.

What is the relationship between a board and its executive director?

More than for any other staff member, the board is dependent on the executive director for its success. The board's role is to listen to, discuss, debate, and make decisions regarding governance issues. Because it is intended that the board be comprised of lay people who themselves do not have the expert-

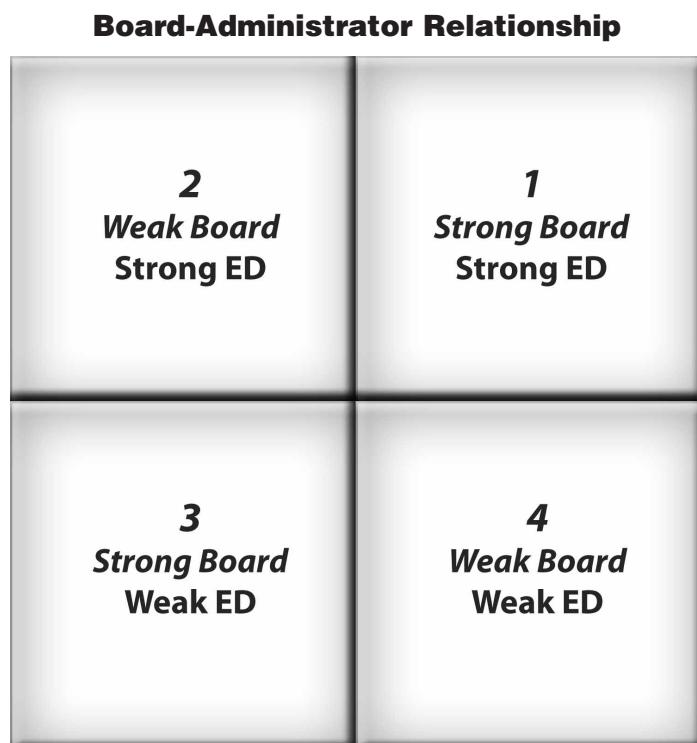
More than for any other staff member, the board is dependent on the executive director for its success.

ise to manage the organization, the board hires an executive director to implement its direction and decisions.

A positive working relationship between the board and its executive director is vital to the organization's successful operation. The consequences of a poor board-executive director relationship can be devastating for the organization.

*The effective board seeks
to clarify its relationship
with the executive
director.*

To prevent misunderstandings and conflict that can damage the operation of the organization, the effective board seeks to clarify its relationship with the executive director. This is achieved through discussions and clarification regarding which responsibilities will be those of the board and which will be those of the executive director.



**Which quadrant best describes your
board-administration relationship?**

As shown in the above graph, there are essentially four situations that describe the leadership team of the board and the executive director. Each describes a board-executive director relationship. The ideal relationship is a strong board supported by a strong executive director.

Quadrant 4 shows the combination of a weak board with a weak executive director. This is usually a temporary situation because it is difficult for an organization to survive if there is no leadership from either the board or its executive director.

Quadrant 3 lists the combination of a weak executive director with a strong board. This often results from the hiring of an executive director with little initiative and backbone. In this situation the executive director may see herself simply as the implementer of the direction and decisions of the board, and she may leave it to the board to tell her what to do, when, and possibly even how. In some situations, a board that has replaced a highly assertive, decisive executive director with whom the board has had considerable conflict may choose to hire a new executive director who will simply do as she's told.

Quadrant 2 describes the situation of a weak board led by a strong executive director. Often boards feel uncomfortable in this situation, and so they should. They may appreciate that the executive director handles things well, but they feel emasculated and may feel that they simply rubber stamp the decisions and recommendations of the executive director. A weak board being led by a strong administrator is an unhealthy situation. Seldom is there any policy guidance from the board. The administrator is essentially free to do as she wishes, as long as matters evolve positively. The board should be defining and approving the organization's vision, mission, values and goals, not the executive director in isolation.

Quadrant 1 describes the ideal team relationship of a board and its executive director. A strong board understands and is committed to its governance role. A strong executive director assists the board in its governance functions and provides strong leadership to staff. The executive director plays a major leadership role in this situation.

The executive director's contract

The contract between the board and the executive director is personal to the two parties. It defines the compensation and benefits the board will provide to the executive director, and defines the terms of employment. It is the executive director's only security of employment with the board.

The contract should give attention to the following provisions:

- the term (length) of the contract;
- annual salary;
- provision for salary adjustments during the term of the contract;
- duties and responsibilities;
- medical, dental, extended health coverage;
- long term disability coverage;
- vehicle or vehicle allowance, if travel is required;
- reimbursement of expenses;
- pension provisions or contributions to an RRSP;
- membership fees in professional organizations;
- legal protection in connection with the performance of duties;
- holidays and annual vacation entitlement;
- provisions for short- and long-term leave entitlements;
- dismissal and termination provisions;
- notice for renewal or non-renewal of contract.

The board or executive director may wish to include a provision in the contract for a periodic performance review. This is optional, and how such a review might be undertaken and completed is a matter for the two parties to negotiate. Often the executive director will ask for such a provision to provide for feedback on performance.

The executive director is evaluated in a manner as agreed to by the board and the executive director.

How is the executive director evaluated?

The executive director is often evaluated in a manner as agreed to by the board and the executive director. The executive director herself may request an evaluation, and clarification of the evaluation criteria and the process the board will use in assessing her performance.

The board is either satisfied with the performance of its administrator, or it is not.

While having performance criteria and an evaluation process defined will enable the executive director to receive feedback regarding her performance, it has little bearing on the executive director's job security. At any time, the board is either satisfied with the performance of its administrator, or it is not. If it is not, previous evaluations become, for the most part, irrelevant.

If the board-executive director relationship is not working

As much as it is desired, not all board-executive director relationships are positive, effective and successful. There are many reasons why boards clash with their executive directors, and vice versa.

The executive director may not have the leadership skills, expertise and experience to satisfactorily meet the board's expectations. The board may not have been clear about its expectations in the hiring process and discover that its approaches to issues, its expectations, and its values are different than those of the executive director. Some boards never do state their expectations and leave the executive director to her own initiative. It is a particular challenge for the executive director if there are varying and conflicting expectations among board members, and the board has never come to agreement on any "board" expectations.

Whatever the reasons for concern, the board members should understand that the executive director serves at the board's pleasure. Regardless of provisions in the executive director's contract, including the contract period of employment, and regardless of any evaluations, the board is either satisfied with the executive director's performance, or it is not. Receiving a positive evaluation may help the executive director retain her position, but it doesn't guarantee it.

Eventually, if the board remains unsatisfied, it must either restate its expectations, clearly and in writing, and offer the opportunity for improvement, or dismiss the executive director.

Boards are encouraged to deal directly with issues relating to the board-executive director relationship. It is sad to discover a situation where both the board and executive director know the relationship is not working, yet neither will take action to resolve issues. Allowing such a situation to continue is unfair to the board, to the executive director and, most importantly, to the organization.

Dismissing the executive director

The executive director serves at the pleasure of the board. If the board has problems with the executive director's performance, it should communicate its concerns directly to the executive director and provide the opportunity

If the board has problems with the executive director's performance, it should communicate its concerns directly to the executive director and provide the opportunity for improved performance.

for improved performance. It is only fair that the executive director be made aware directly of the board's concerns and have the opportunity to address them. An annual performance review is one means of providing such feedback to the executive director.

If the board wishes to terminate the relationship with its executive director, it may dismiss the administrator either with or without cause. Boards may include in the executive director's contract provisions for dismissal with or without cause, and indicate severance provisions.

Dismissing the administrator with cause means that the board feels it has legal grounds to terminate the executive director's employment. If a board successfully dismisses the executive director with cause, she has little hope of any severance settlement. However, the board should seek legal advice regarding the appropriateness of cause before proceeding with a dismissal. What the board considers as cause may not stand in court. If the reason is, in the board's thinking, board dissatisfaction with job performance, a dismissal for cause would probably not be successful. An administrator not performing to the board's expectations is not in itself grounds for dismissal with cause.

Regardless of the board's reasons, if the executive director does not agree that the board has cause, then she may challenge the board's actions, and undertake legal proceedings against the board. The result may prove costly to the board, both in legal and settlement fees.

If the board does not have cause for dismissing the executive director, but still wishes to terminate the relationship, it may dismiss her without cause. In this case the executive director can choose to resign voluntarily, or be dismissed. The executive director is not normally entitled by law to return to her job.

It's then a matter for the board and the executive director to negotiate a severance settlement. The issue then becomes how much money it will cost the board to have the executive director leave, willingly or unwillingly. The board can either pay out the remainder of the administrator's contract, or it can negotiate an alternative financial settlement.

A board contemplating the termination of employment for its executive director should seek legal advice at the earliest opportunity.

A board contemplating the termination of employment for its executive director should seek legal advice at the earliest opportunity.

Resolving board-executive director conflict

Just as it is unrealistic to expect that any two people will always agree on every matter, it is similarly unrealistic to expect that the board and the executive director will continue to work together over time without conflict.

Before examining what conflict might occur, let's clarify the meaning of the word "conflict." For many people conflict is a negative term, something bad and to be avoided. It brings to mind images of infighting and nastiness. Actually, conflict should be seen as just the opposite, as something necessary. It is a critical requirement for leadership.

The meaning of conflict is "disagreement". When people conflict, they disagree. If we all thought exactly the same way on every issue, there would be no need for leaders and no need for leadership.

At times, the board will disagree with decisions made by the executive director. Similarly, it is unrealistic to assume that the executive director will always agree with the decisions of the board. Each must respect the other's right to make decisions that fall within its jurisdiction – governance decisions for the board; management decisions for the executive director.

No doubt there will be times that the executive director feels that, were she a board member, she would make different decisions. But the executive director is not a board member, and therefore must respect the right of board members to make the decisions they feel are appropriate.

Similarly, board members may feel that, were they the executive director, they would handle things differently and make different decisions for the operation of the organization and direction to staff. The point here is that the executive director currently has the job and must make the decisions she feels are appropriate.

Decisions to be made at the administrative level should be left to the executive director. If the board is unhappy with her decisions, the board can communicate its displeasure and concern. If enough disagreement results, the board may have to decide if it wishes to keep its executive director.

It is unrealistic to expect that the board and the executive director will continue to work together over time without conflict.

The executive director is not a board member, and must respect the right of board members to make the decisions they feel are appropriate.

Decisions to be made at the administrative level should be left to the executive director.

Summary

The executive director, as the board's key staff person, works with the board as it develops the vision, values, mission, goals and policies for the organization. The job of the executive director is to then implement the board's direction and decisions.

Both terms of reference and the board's expectations for job performance from its administrator should be clarified and communicated to the executive director.

Just as the administrator does not govern, so should the board not manage the day-to-day operations of the organization. Determining the respective levels of decision-making within the organization — that is, which decisions will be made by the board and which decisions will be made by the executive director, is an important task of the board.

Boards hire executive directors for their expertise and skills in managing organizations and in managing staff, and they should be assigned responsibilities and accountability that reflects this approach. The highest levels of responsibility and accountability occur when a board appoints and treats its administrator as the organization's chief executive officer.



The Right Reflective Questions

The role of the executive director

1. Does the board have written terms of reference detailing the role and responsibilities of the executive director?
2. Has the board clarified its expectations for job performance to the executive director?
3. Has the executive director been granted authority commensurate with responsibilities?
4. Does the board expect high levels of initiative from its executive director.



Indicators of Board Effectiveness

1. The executive director takes charge and leads the organization.
2. The board appoints and supports the executive director as its chief executive officer.
3. The board respects the right of the executive director to make management decisions, and does not interfere in management issues.
4. There is effective, two-way communication between the board and the executive director.
5. The board and executive director meet periodically to review and discuss progress with organizational goals.



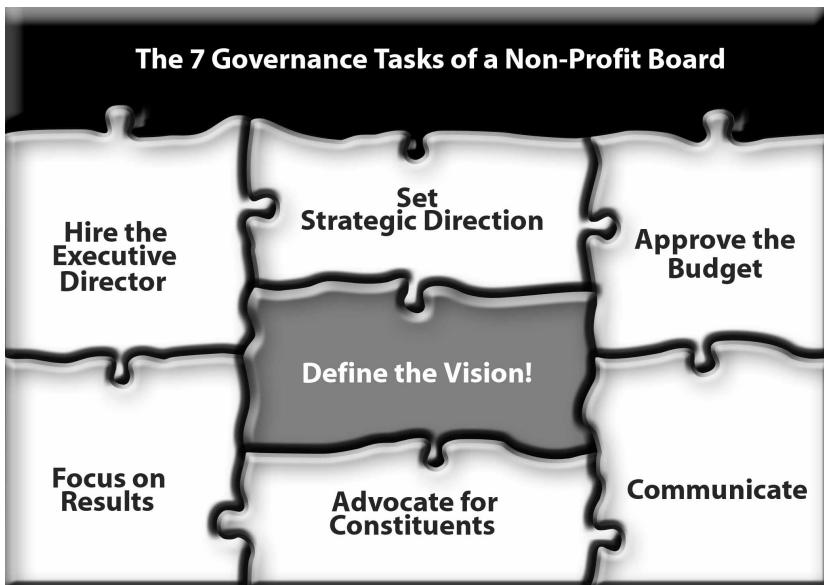
Effectiveness Exercises

1. Have board members meet to determine ways that the executive director could better support the board. Separately, ask the executive director to list ways that the board could better support its administrator.
2. Have the board study and discuss the “Board-Administrator Relationship Graph” graph on P. 66. How does the board perceive its situation? Are both the board and the executive director seen as being strong in their respective assignments? How can this be determined? What can the board and the executive director each do separately to build a stronger board-executive director team?

3. Has the board appointed the executive director as its chief executive officer? Why or why not? If yes, is the executive director truly the CEO or is this a title granted without the appropriate authority? Has the board given the executive director levels of responsibility consistent with the board's expectations of accountability?

Chapter 6

Defining a Vision



Life can be viewed as either a series of circumstances where we are subjected to events beyond our individual control, or as a series of choices, where the majority of the events in our lives are seen to result from our individual actions and decisions.

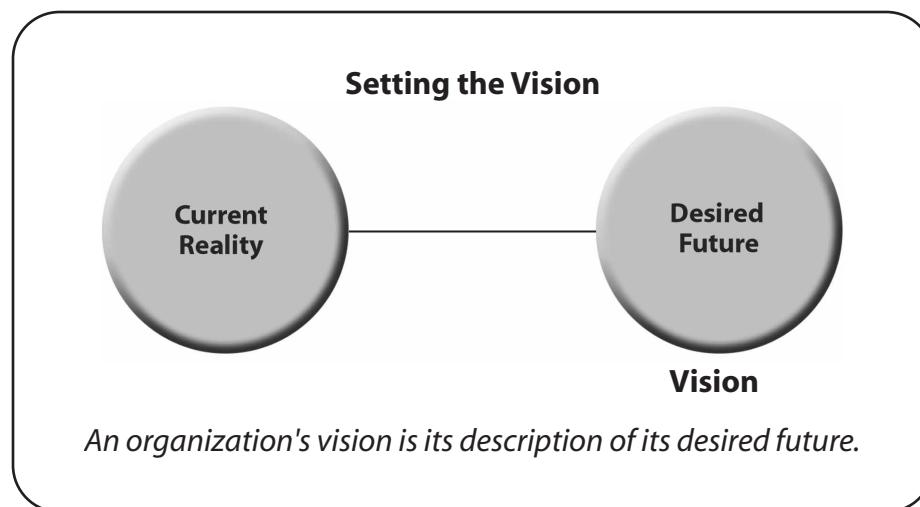
Those who perceive life as a series of circumstances often feel powerless to bring about positive change. They are willing to be carried along wherever life takes them. They are passengers driven to destinations and along routes determined by others.

Those who desire success create a mental picture of a better life for themselves, their families and others, and they develop processes and strategies for making it happen. Because they passionately believe in their ability to effect

change, because they know what they want, because they set clear goals and develop plans for achieving them, they create their own future.

This second group of people know that we cannot control all of the circumstances in our lives, but they accept that their response to each circumstance is their individual choice. If they are knocked down, they refuse to accept defeat. They get back up, stand up to adversity, and continue to pursue their dreams.

This latter attitude positively affects the dynamics of board operations. As for individuals, boards need a dream in order for their organization to make the dream come true. Boards can define the future they desire, take a snapshot of the ideal future, and describe it in a way that motivates people to action.



What is a vision statement?

A vision statement is simply a written description of the ideal future desired for your organization. Developing a vision statement should be an initial priority for any board. The vision defines the board's destination, helps the board set direction, and is the foundation for board action and decision-making.

Developing a vision statement should be an initial priority for any board.

A board without a vision is immediately subject to criticism. It is reasonable for people - staff, constituents and others - to ask the board what its expectations are for the future. As a board member, you can choose to respond in one of two ways. You can explain that your board does not have a vision and that the organization's future will depend on many different circumstances

and pressures that affect your organization. Or you can respond that the board has created a clear vision for the organization's future, and that the board has specific plans for making it happen, with the support of the community. Which response would you prefer to communicate to your constituents?

A vision statement need not be lengthy, but it should be more than a sentence. The more specific the statements, the clearer the vision, and the easier it is for people to create the mental image of what the board is striving to achieve. Following are two examples of vision statements that might be defined by a band's school board.

One band's Education Committee may have a vision of "*improved educational opportunities for its students.*"

The clearer the vision, the easier it is for people to create the mental image of what the board is striving to achieve.

Another band's Education Committee may have a more specific vision stated as follows.

"We believe in providing an educational system where schooling is seen as the most important community service and benefit for our children. Our band school has become the focal point for the development of local programs and services. It is both the center and the lifeblood of our community. All community members – children, parents, elders and others – are involved in some way in the life of the school.

The majority of parents choose to enrol their children in the community school. All of our children's schooling, Kindergarten through Grade 12, can be completed on-site, within our community's boundaries. The school offers a broad range of programs, including an emphasis on First Nations culture, language, heritage and history. First Nations teachers and support workers provide strong curricular and extracurricular programs, and the majority of students participate in several extracurricular activities.

Parents and elders are visible as volunteers at the school, for both in-school and after-school programs. They interact with students daily, and they take pride in the achievements and success of its students. Daycare, pre-school and after-school programs are available for children of parents who work outside the home.

Students are proud of their school, and speak positively about their school experiences. Nearly all students graduate, and the majority proceed to post-secondary institutions to further their education.”

Which of these two vision statements is more motivating, more inspiring? Which will instil in constituents the desire for positive change? Which paints the clearer picture of an improved future for students and education in the community? Which vision statement makes it easier to develop specific targets and strategies for improvement?

Another example of a vision statement is that of the Ktunaxa Kinbasket Tribal Council. Their vision statement is as follows:

As a nation we are striving to achieve strong, healthy citizens and communities, speaking our languages and celebrating who we are and our history in our ancestral homelands, working together, managing our lands and resources, within a self-sufficient, self-governing Nation.

Each word and each phrase conveys an expectation, a hope for the future. It speaks to the ideal future for a group.

Setting a vision, then, is about setting and defining expectations, with a clarity of language, and in a format easily understood by constituents. Effective change doesn't just happen. It's planned. It's specific. It's change for the better. It forces attention to improvement.

Effective change doesn't just happen. It's planned.

The purpose of a vision is to communicate how different the future can be from the present reality.

Creating and defining a vision should not be a task that the board undertakes because it's trendy, or because it's an exercise that boards are expected to complete. The purpose of a vision is to communicate how different the future can be from the present reality. It demonstrates leadership by starting a process that will enable your board to transform your organization from what it is now to what you want it to be. It won't happen overnight, and the more ambitious the vision the statement, the harder will be the struggle to achieve it.

Close your eyes. Project yourself ten years into the future. You're still on the board. Has anything changed for your organization? Isn't it obvious that if your board keeps doing what it's doing, in the way that it's currently doing

it, then it will keep getting what it's getting? Are you satisfied with results? Is the board?

Work for improvement, for a better future. Dream the big dream, define it, communicate it, believe that it is possible, and that people can be motivated to achieve it. To the degree that the board shifts its perspective from where it is, to where it wants to be, it can help bring about that desired future. It's up to you and each of your fellow board members to ensure that the board puts processes in place that will create a new vision for the future.

The more powerful and exciting the vision, the greater the motivation of people to want to support and achieve it.

Values

The vision for an organization is developed in the context of those values held important by those responsible for decision-making. Our values are what we consider important. They are what we hold to be right or wrong, and to what degree, as we make the choices that guide our decision-making.

For example, if a nationally known liquor company volunteered to donate substantial funds to a health facility in your community in return for some minor advertising of its products on-site, should the health board accept the funding? If a cigarette company agreed to contribute financially to a band school in return for a few signs advertising its products posted throughout the school, should the school board accept the funding?

For most people, the answers to these questions are obvious. Many would agree that a board should not accept funding from organizations promoting the use of alcohol and cigarettes, for obvious health reasons.

Let's continue the discussion. What if the issue is a request from a soda pop company for a contract exclusively to provide and sell its products to students in the band school.

There are those who would argue that many of the students already drink pop, either at home or in their time out of school. They may even bring pop with them from home in their lunches. Others may feel that schools should not allow soda pop products in schools period, because sugar products are

The more powerful and exciting the vision, the greater the motivation of people to want to support and achieve it.

Our values are what we consider important. They are what we hold to be right or wrong,

not good for children. Yet others feel that it is wrong for one group to decide for students whether or not they can drink pop, and what kind.

Now let's extend the argument to yet another level — the provision of nutritional juices in schools, instead of pop. Would agreement to an exclusive contract with a major juice supplier to allow only their brand of product in the school or in the community's health facilities be acceptable to either a school board or a health board? Some might find it objectionable that certain suppliers are able to provide only their products to a captive audience. Some may feel it's okay to provide only juices to students, but that adults should have a wider choice, and that the board should not be dictating what adults can and cannot drink.

Each of these situations is a discussion of values. What one parent or community member might agree should happen may not be supported by another. Similarly, what one board might agree to might be quite different from the decision of another board in another community.

The operation of non-profit organizations reflects community values. This is a challenging issue for board members – determining the sense of right and wrong, and what should and should not be allowed for their community.

Every organization has a set of values, created consciously or unconsciously over time and as a result of the decisions and direction approved by the board. In this respect, the board is the creator and the guardian of the organization's values.

The board is the creator and the guardian of the organization's values.

The Bella Bella Community School Board has defined governing values for the operation of its community school. A few of the board's governing values include:

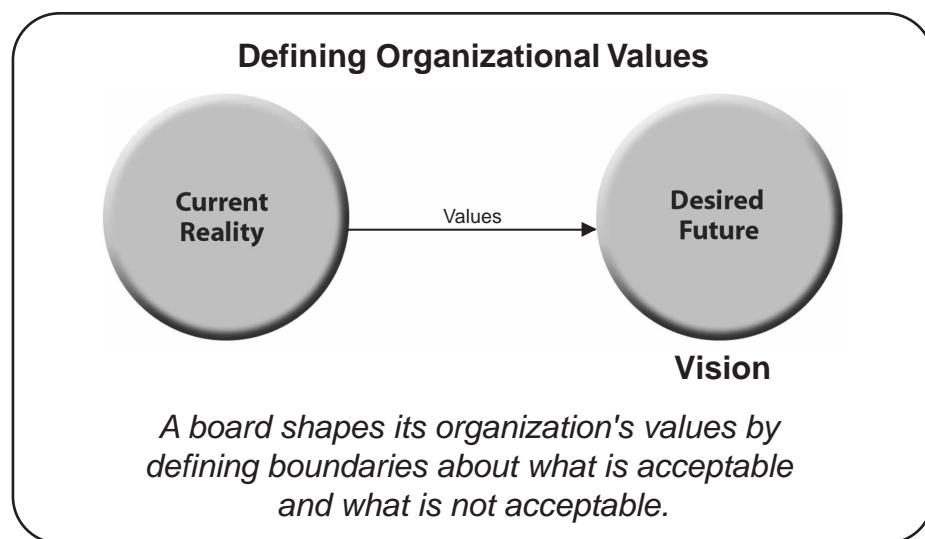
1. an inclusionary approach to special needs students;
2. enthusiasm for change and school improvement plans;
3. respectful relationships with students, parents, staff, board members and community; and
4. success, self esteem and individual programs within the classroom.

A board that defines and articulates its values communicates what it stands for and what its constituents can expect from the organization. These comments from the Bella Bella School Board project a value system in which stu-

dents with special needs will not be segregated. Rather, they will be included in the regular classrooms and programs of the school regardless of their special needs. Further, the values project a school system where both change and plans for improving the school's programs and services are welcomed. It projects that the board expects people to be respectful and considerate in their relationships and daily interactions, and that individualized programs will promote student success and self esteem.

The values for an organization are unique to those who belong to the organization. The values espoused by the Bella Bella Community School Board were developed locally and reflect what's important to members of its community. They may or may not be similar to those developed by another school board in a different community.

What are the boundaries for what is right or wrong, important or not important, acceptable or unacceptable, within your organization and within your community? What is right or appropriate for one circumstance may not be right or appropriate for another. Values should be consciously discussed and debated by the board. The board should define and list the values it espouses in its policy manual for all to review. The wise board will provide the opportunity for constituents to be included in the discussion and debate.



What is the role of the board in defining the organization's vision statement?

It is not expected that directors on non-profit boards have the skills to personally undertake a comprehensive vision-setting process, and the strategic planning necessary to achieve it. Remember, the task of the board is not itself to do the job, but rather to see that the job gets done.

The role of the board therefore is to ensure that a vision is defined. The board approves the vision; it does not necessarily develop it.

The role of the board therefore is to ensure that a vision is defined. The board approves the vision; it does not necessarily develop it.

What is the role of the executive director in the vision-setting process?

In establishing a vision setting process, the board should discuss the matter first with its executive director. If the executive director has the confidence of the board and the appropriate training and skills required, the board should consider having the executive director lead the vision-setting process. If the board desires that the executive director herself be an active participant in the process, it should consider bringing in an outside, independent person as a facilitator. It is difficult for your administrator to concurrently lead the process and be an active participant.

The executive director can recommend a facilitator and a process for approval by the board. Let the administrator do all the background work. The board retains control of the process and the result by not giving its approval until it is comfortable with the recommendations of the executive director.

Summary

Boards must decide if their approach to board governance will be reactive, that is, responding to the circumstances and pressures of the present, or proactive, that is, focusing the board's attention on doing what is necessary to create the future it desires.

The most powerful motivator for moving an organization from its current reality toward its desired future is the strength of the board's vision.

It is the board's responsibility to ensure that a vision statement and a list of organizational values are defined, understood and communicated. The executive director can assist by recommending a process, a facilitator, and a schedule for completion.



The Right Reflective Questions

Defining the vision

1. Has the board set a clear vision defining its desired future for the organization?
2. Has the board defined the values it will consider as it sets its direction and makes its decisions?
3. Has the board provided opportunities for staff and constituents to give input into the development of the statements of organizational vision and values?



Indicators of Board Effectiveness

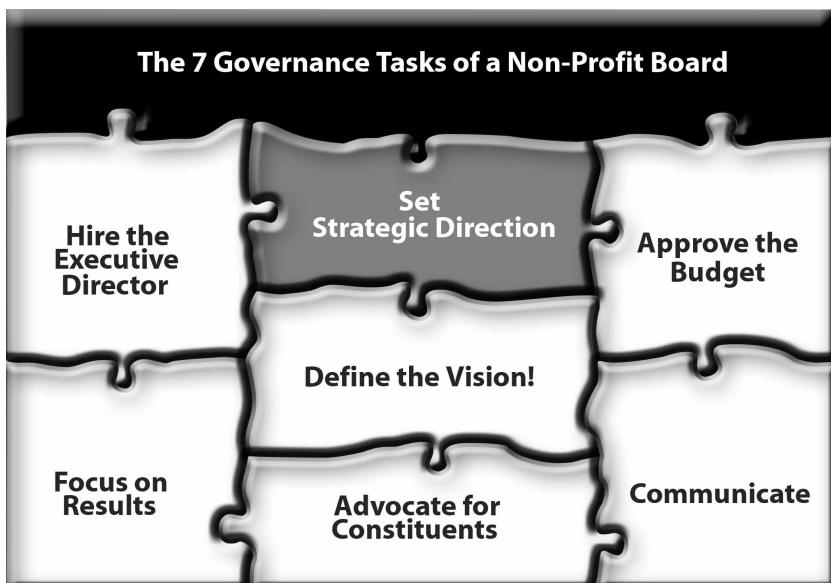
1. The board has approved a vision statement that is understood and accepted by the board, the staff, and the organization's constituents.
2. The board has approved a statement of values defining what the board considers to be important as it pursues its stated vision.
3. The actions of the board and staff are consistent with the board's stated vision.

★ Effectiveness Exercise

Host a community forum to which all of the organization's constituents are invited. Arrange for seating of small groups at tables. Have participants at each table discuss and describe what they would like the organization to be, ideally, in ten years time. Ask each table to record its vision of the organization's future. Collate the responses and create a single one-page vision statement that reflects the wishes of your constituents. What commonality and what differences were reflected in each table's comments and descriptions of the ideal future?

Chapter 7

Setting Strategic Direction



Your board has an executive director in place and has defined and approved both its dream for your organization's future and the values that will guide the board along the way. With this information, anyone should easily be able to interpret how the board's desired future differs from the current reality.

Now the board must set out on a journey, a mission to be more exact, from where the board is, towards its destination — its vision. The process by which the board undertakes this transformation is known as strategic planning.

What is strategic planning?

Planning is strategic when it focuses on moving the organization forward from its current reality towards its desired future.

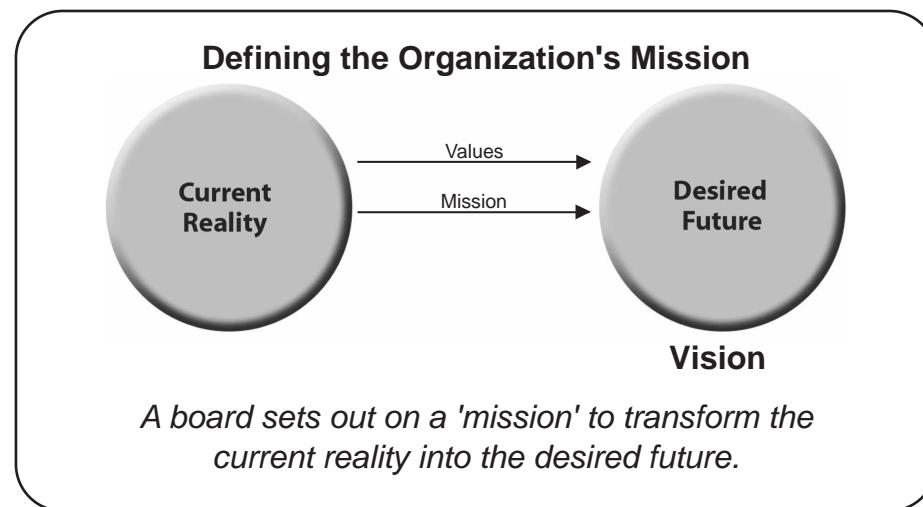
Planning is strategic when it focuses on moving the organization forward from its current reality towards its desired future.

The steps in strategic planning are as follows.

1. Define the vision.
2. Create or reaffirm a mission statement clarifying the organization's purpose.
3. Identify the strengths and weaknesses, opportunities and threats, as they affect the operation of the organization.
4. Build on strengths, address weaknesses, list opportunities, and be aware of threats.
5. Develop specific goals that enable the board to achieve its mission and vision.
6. Approve policies that give direction to the board and staff for the administration and daily operation of the organization.

Effective executive directors assist their boards in this process.

What is a mission statement and how is it developed?



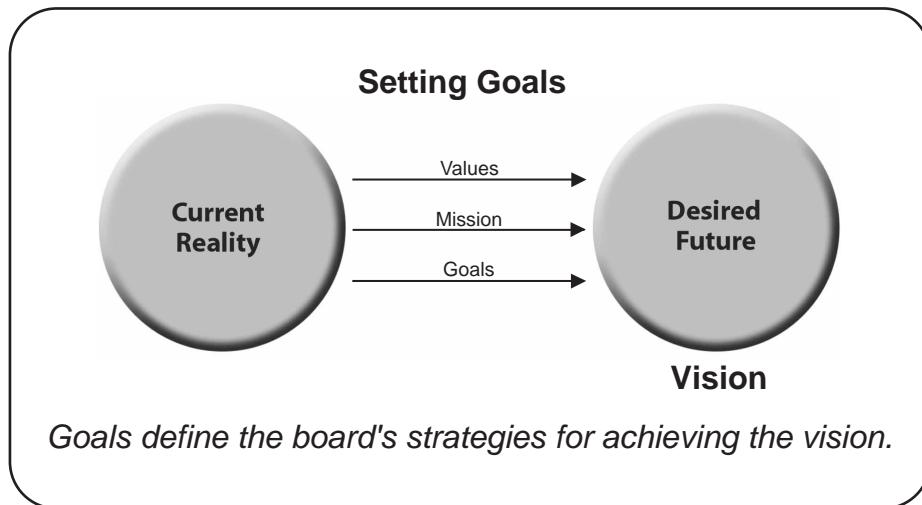
Your organization's mission is its focus, expressed as a statement of purpose. Your board's mission is the reason the organization exists. Ideally, the mission statement as written is unique to your organization. It is what distinguishes it from other similar organizations.

The mission statement is usually expressed in one or two sentences. Ideally, it is developed with input from the organization's constituents and staff.

For example, the mission statement for the Inter Tribal Health Authority (ITHA) is:

The Inter Tribal Health Authority exists to support its Member First Nations by enhancing the quality of life and well being of their people and families through community development, professional consultation, and direct health services.

What are goals and how are they established?



Goals are broad, timeless statements of intent. They describe what the board wants to achieve for various aspects of the organization's operation. The board of a daycare society may set a goal "to promote the provision of nutritional meals to those children under the society's care." As long as the society maintains this goal, it is something the society's members will advocate for and work towards.

Goals describe what the board wants to achieve for various aspects of the organization's operation.

Each year the strategies and actions undertaken may change. One year the focus may be on providing nutritious mid-morning and mid-afternoon snacks. The next year the focus may be on charging parents a supplement to provide dairy products as part of each meal service.

In the last chapter, an example of a band education committee vision statement was listed and included the comment: “ Parents and elders are visible at the school, for both in-school and after school programs.”

Converting this comment into a goal, it becomes, “To increase the participation of parents and elders in the life of the school.”

Having set a goal, the next step in the goal setting process is to brainstorm strategies for achieving it. Although this task could be undertaken privately by the board and its executive director, it presents an excellent opportunity to include a wider circle of citizens. Why not invite the school’s staff to submit a list of strategies that they believe would “increase the participation of parents and elders in the life of the school.” Even the students could be included in the process and asked for their ideas about how this could be achieved.

Better yet, the board could sponsor a community forum where parents, elders, staff, students and other members of the community are all invited to hear more about the board’s vision and asked, in small groups, to brainstorm suggestions for better involving parents and elders. The more stakeholders that are invited to participate in the process, the greater will be the commitment within the community to achieving goals.

Following are just a few ideas that might come out of such a forum.

1. Host a community pot-luck dinner at the school at the start of the school year.
2. Sponsor a family fun night carnival at the school for parents and students and other family members (fundraiser?).
3. Ask the principal to invite several parents weekly into the school for an informal visit over coffee.
4. Invite parents and elders with special interests or talents into the school to speak to students about their hobbies.
5. Invite elders to speak to students at an “elders story hour” assembly.
6. Plan a year-end field trip of students and parents to a site of cultural interest.
7. Ask the staff to plan for student-led conferences where parents are invited into the school by their children to review schoolwork and their achievements in the presence of the teacher.

8. Invite parents to school assemblies when their children are recognized or receive an award for some positive achievement (good attendance; best improvement in a month in a subject area; etc.).
9. Hold an annual Aboriginal Day celebration as a school tradition.
10. Invite parents to assist with coaching and sponsorship of extracurricular activities.

These are just a few of the ideas that might be listed during a community brainstorming session. A goal for the evening might be that each person attending come up with at least one action that could be tried. There will be duplication, not all ideas will be practical, and not all ideas will be enthusiastically received. However, a good workshop facilitator will not only produce a lengthy list of ideas; she will also determine which of the ideas would receive the most support for possible implementation.

Let's review this process. The board requested that a vision be defined for the organization's future. This process can be extended to include the development of a mission statement. The executive director, or a facilitator, developed a process that included a wide audience for participation. Eventually a draft of the vision statement comes before the board for approval. The board always retains control of the process by ensuring that nothing is finalized for action until it meets with the board's approval. If at any time the board is not satisfied, it can direct its administrator to continue the process until the draft statements presented are acceptable to the board.

In setting goals for the organization, it is important to differentiate between board goals and organizational goals. Board goals are those set, approved and owned by the board, for what the board itself will do. They may or may not be goals that others in the organization endorse and agree with, but they have been accepted by the board. They define the intent of the board. Organizational goals are those set and owned by the organization. Ideally, they are those set and owned by those who make up the organization – both constituents and staff.

Who is involved in the goal-setting process?

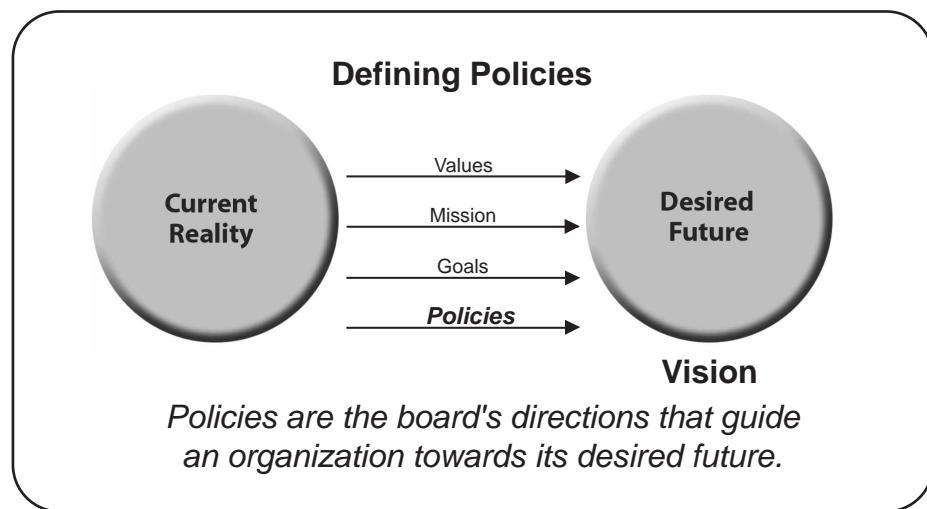
Effective boards include a wide audience of participation in their goal-setting processes. They understand that the more their organization's people,

Effective boards include a wide audience of participation in their goal-setting processes.

staff, and constituents are involved in the process, the greater will be their ownership and their desire to achieve the goals that the board approves.

By inviting broad participation in direction-setting processes, the board not only gets a wide base of input, it also builds a broader base of support and commitment to whatever vision, mission, goals and plans are eventually approved.

What are policies?



Policies are the board's written statements of direction that guide the daily operation of the organization.

Policies are the board's written statements of direction that guide the daily operation of the organization. They define the board's expectations by stating what is to happen for various aspects of the organization's operation and to what degree.

Board policies direct and guide the actions and decisions of the executive director as she undertakes the daily management of staff and the organization. They define the boundaries for administrative and staff action – boundaries about what can and cannot be done. They tell the executive director what the staff is expected to do, and to what extent. Staff members are expected to refer to, and to adhere to, board policies in their decision-making and in the operation of the organization.

Policies may be as general or as specific, and as long or as short, as the board desires.

Policies may be as general or as specific, and as long or as short, as the board desires. Because they are intended to give direction only, and not to describe

how something is to be done, they are often written as broad statements of intent. A policy may be as brief as a single sentence.

For example, a school board may approve a policy stating

POLICY

The board of trustees directs that all of its buildings and grounds be smoke-free.

That's the policy - just the one sentence. It is a statement of direction from the board. It may raise all kinds of questions about consequences for those caught smoking. There is no obligation on the board to make the policy longer or to provide more detail. The board has said what it needs to say on the matter. Procedures for backing up the policy can be clarified by the administrator.

Depending on the level of detail desired by the board in defining its policies, policies may be stated over several paragraphs. A school board with a similar intention may approve a no smoking policy that provides more specific direction and which states

POLICY

Smoking is not permitted on any of the board's properties or in any of the board's buildings. The board will support programs that educate students and staff regarding the negative health consequences of abusive tobacco use.

In this case the board has added an educational component to its policy.

To clarify a policy statement, some boards preface it with a "rationale." The rationale briefly states why the policy has been developed.

A preamble to the no-smoking policy may be stated as follows

RATIONALE

The board is concerned with the negative health effects of smoking on community members. The board has reviewed research which concludes that smoking can result in cancer and other health conditions.

POLICY

The board of trustees directs that all of its buildings and grounds be smoke-free.

A generally accepted guideline for policy is that each policy be limited to a page or less. However, there is no one standard way to write and format policies. Boards also categorize their policies differently. What one board lists as a series of separate policies relating to Human Resources/Personnel matters may be listed by another as one broad, comprehensive Human Resources Policy many pages in length.

For example, the Inter Tribal Health Authority on South Vancouver Island writes very detailed policy. Following is just one section of the board's Conflict of Interest policy, describing its determination to be accountable to its members and the population it serves.

INTER TRIBAL HEALTH AUTHORITY

Policy on Accountability

Approved: By Resolution of the Board of Directors, June 18, 2001.

It is the Policy of the ITHA Board of Directors that a system of accountability to its member First Nations and the Service Population of all health programs and services will be maintained as follows:

- 1. Transparency. All decision making processes in the governance of ITHA and the management of its programs and services will be open and transparent, notwithstanding the need to assure confidentiality of medical and personnel information which will be treated as confidential in compliance with the Privacy Act and Access to Information Act.*
- 2. Disclosure. All written standards, protocols and other policies or procedures of ITHA as they relate to the provision of any health programs and services for which member First Nations are eligible will be published and available upon request.*

3. *Redress. Appeals and Dispute Resolution policies and procedures that provide redress for member First Nations or individuals eligible for programs and services and who may be affected by decisions of the board or staff or ITHA will be developed, updated regularly and published.*
4. *Access to Information. Member First Nations will have full access to ITHA records and files (including minutes of all Board and Committee minutes) except those that are designated as confidential in compliance with the Privacy Act and Access to Information Act. Access will be provided, upon request, to funding agreements, plans, completed evaluations, written standards and other policies or procedures.*
5. *Minutes of Meetings. A Summary of all Motions and Resolutions of Board Meetings will be distributed to all Member First Nations at least quarterly; and, Minutes of all Board and Committee meetings will be available upon request.*
6. *Annual Report and Audit. An Annual report which includes the annual audit will be published within 90 days of the end of each Fiscal Year and distributed to all member First Nations. The Annual Report and Audit will be available upon request.*

The purpose of policy is to provide concise, clear direction. The format and style of a board's policies are very much determined by the person who writes them and the board that approves them.

The board's policy focus should always be directed towards the results and outcomes it expects from staff, and not towards the activities of the organization. Policy is meant to express what the board desires.

Board policies are either enabling or limiting. Policies that are enabling suggest action by emphasizing what can be done. Policies that are limiting restrict action by emphasizing what cannot be done.

What are administrative regulations and procedures?

In many non-profit organizations, a statement of procedure will accompany a statement of policy. Where the policy states what is to be done and to what degree, the administrative regulation or procedure, prepared by the executive director, will describe some specifics of how the policy will be implemented. The board should respect the strategy of the executive director to best implement the board's wishes.

How many policies should a board have?

There is no minimum or maximum on the number of policies a board should adopt. The number of policies is irrelevant. What's important is the direction that the board's policies provide for the effective operation of the organization.

Who writes the board's policies?

The board's responsibility is to approve policy, not to write it.

Normally, board members do not write policy. The board's responsibility is to approve policy, not to write it. It is appropriate that a staff member or some other person with the appropriate expertise actually draft policies for board review.

One strategy used effectively by boards is to have the board discuss a topic, at a meeting other than a regular board meeting, where it has the time to really get into discussion and debate on an important matter. The executive director, or some other designated staff person or an outside expert, will attempt to record the essence of the board discussion and translate it into a draft policy document for submission to the board.

For example, an area of controversy within a community may be a concern that one or more individuals have inappropriately been hired to work in a facility with children. After a discussion of the issue among board members, they might agree that all prospective employees should undergo a criminal record check as a condition of employment with their organization. Further, they might direct that this occur at the time of hiring, that the cost be borne by the individual applicant, and that employment be denied to any individual with a record of an offence that could jeopardize children under care. Translating the results of this discussion into a draft statement of board policy would be the task of the executive director.

What is a policy manual?

In order that the board's policies are clearly understood and readily available to those with a need to know, all of the board's existing policies are normally collated into a policy manual. The board's policy manual is an important operational guidebook.

Policies are the major decisions of the board that give direction. Not all decisions of the board need to be collected and published in the board's policy manual. It is the board's more important decisions that are translated into policies which are included in the policy manual. Other decisions may simply be recorded in the board's meeting minutes for future reference. It is a local board decision as to which policies are, or are not, included into the policy manual, unless a government directive requires that policy be developed for particular areas of the organization's operation.

How is the policy manual kept up to date?

The policy manual should be a "living" document used regularly by board members and staff. Unless a process is established to keep policy manuals current, they can quickly become out-of-date and useless to board members and staff, and to constituents who wish to become more informed regarding the board's policies. It can be embarrassing for board members or others to quote something out of the policy manual, only to be informed that the particular policy was previously deleted, or had been amended at an earlier date.

There are several strategies for keeping policy manuals current. One is to annually republish and redistribute copies of the manual. Another is to use a three ring binder format and require each policy manual holder to update manuals upon receipt of policy updates. Board members find it easier to check their policies if each clearly indicates the date of first approval, and dates of any subsequent amendments. It is also helpful to have this information included in the policy manual indexing. With regular updates to the index, policy manual holders can check to see if the listed policy is current.

The executive director should ensure that a process is in place to keep policy manuals up-to-date. One cannot assume that board members will automatically update their manuals when they receive updates. Similarly, it cannot be assumed that all other copies, those used by staff and constituents, will be current.

Think of board policy as the “law” of your organization, and the board as the “lawmaker”.

Should your organization receive a legal challenge, the board’s policies and decisions may be reviewed by the courts.

What is the legal status of board policy?

Think of board policy as the “law” of your organization, and the board as the “lawmaker.” Decisions of the board, whether they are translated into written policies and included in the board’s policy manual, or remain as decisions recorded into board meeting minutes for later reference, carry the weight of law. Should your organization receive a legal challenge, the board’s policies and decisions may be reviewed by the courts. The board’s legal counsel will want to show what direction the board had given in anticipation of potential problems.

Lawyers may request copies of the board’s policies, or any other written direction, to show the board’s lack of attention, or omission, to direction that they may argue should have been given. Because boards can be held accountable and liable for their policies and decisions, it is essential that policies be accurate, current and relevant, and particularly that they communicate exactly what the board intends as direction on a given matter.

Who decides what is a matter of policy for the board’s action, and what are to be considered as administrative issues and procedures?

Each board will develop its policies in a manner that is acceptable to the board. What one board may include in a policy, another may leave for the executive director to include in administrative procedures. A simple guideline is to understand that the board determines what is to be done and then generally leaves to the administrator how the policy will be implemented.

What is the difference between a draft policy and a final policy?

When approving policy, boards are not always aware of the implications and consequences of their policies on the management and operation of the organization. It can be embarrassing to the board to have just approved a policy, and

then subsequently find out that it has an unintended effect on personnel or constituents.

To ensure that there is the opportunity for feedback to its policies, some boards establish a procedure of first approving policies in draft form. They give approval-in-principle to a policy and then direct that it be circulated for comment and feedback. If it does not receive any negative feedback on its draft policy, or if any expressed concerns are minor and can be addressed without changing the policy, the board will then give final approval to the draft policy at the next regularly scheduled meeting.

If the board does receive written feedback, it considers this new information and decides if it wishes to revise the draft policy and recirculate it, or to leave it as previously published.

Often staff and others can provide valuable feedback to an intended policy while it is still in the draft stage. Having such feedback to consider before policies are given final approval diminishes the chances that a board will have to retract its policy because of a meaning or interpretation not intended or predicted.

How can a board member determine if the board is giving proper attention to its policy-making role?

A quick check to see if the board is focused to its policy role is to determine: how often the board refers to its policies; if the board follows its policies, or ignores them; if the system's practices are consistent with policies in effect; and whether or not policy matters are the focus of board and board committee meeting agendas. Boards that are caught up in management issues will seldom make reference to policy, if they give it any attention at all.

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What if a new board member disagrees with a policy of the board, or a new board disagrees with the policy of the previous board?

The board speaks with only one voice. Regardless of whether a board member disagrees with a policy, policy matters are determined by a majority vote of the board or through consensus (unless, of course, its decision-making processes indicate otherwise). The policies in place are the policies of the board and remain so until the board, or a new board, effects changes.

*The board speaks with
only one voice.*

Any new board member, as a member of the board, inherits the policies in effect at the time he or she takes office. The new board member can work to effect change, but policies remain in effect until the board changes them.

New boards inherit the policies of the board that precedes them.

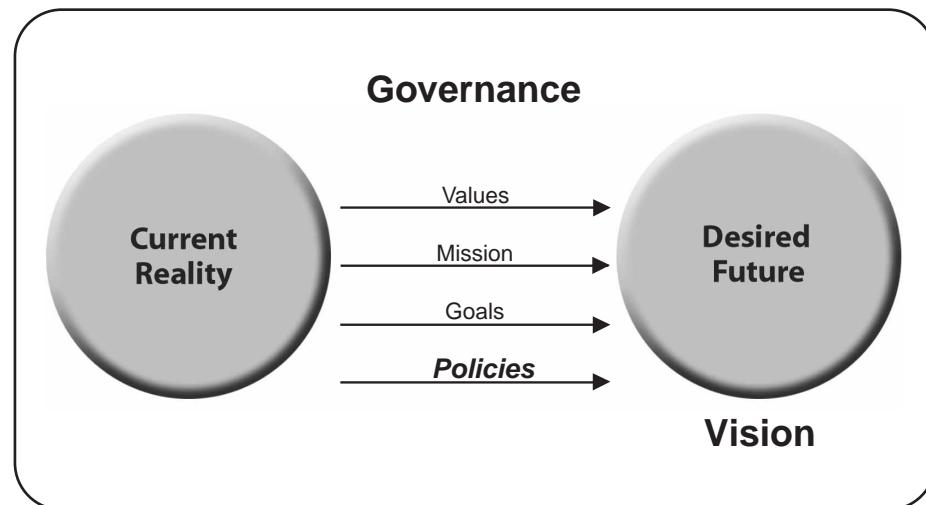
New boards therefore inherit the policies of the board that precedes them. If a new board has concerns with any policies, it should follow the established policy process for changing or cancelling them.

The policy manual you are issued reflects the current law of the organization. A new board must move quickly to change any policy with which it disagrees.

A new board should never ignore the established, written policy of the previous board. That sends the wrong message to the system and creates confusion. The policies in the manual represent the approved direction of the board. If it is perceived that the new board does not accept, or is not following, established board policy, the staff may correspondingly decide that it shouldn't have to follow board policy either, and simply ignore it.

One of the first tasks of any new board should be to review the direction set by the previous board.

One of the first tasks of any new board should be to review the direction set by the previous board. If the new board supports what the previous board has done, it can continue with the same direction. However, if the board disagrees with the direction set by the previous board, it should set new directions as quickly as possible and change goals and policies as appropriate.



Summary

Strategic planning is the process by which an organization moves from its current reality towards its desired future – in the context of the mission, values, goals, and policies set by the board. Setting the vision is a necessary first step. Once the organization's vision has been defined and approved, the board must then set specific targets and develop appropriate strategies to achieve them.

Planning and policy are the two most important areas for board attention. Goals should be established annually as part of the planning process for key areas of the operation. These goals, always focused toward the realization of the board's vision, become the operational plan for the board and its executive director.

Board policies provide direction for the future actions and decisions of the board and staff. A board that is focused to its policy role will have in place measures to ensure that its policies are accurate, current, and relevant. Policies should be developed proactively, in anticipation of what might happen, as opposed to being developed reactively, after the fact.



The Right Reflective Questions

Setting strategic direction

1. Does your organization have a written board-approved mission statement that clearly defines its purpose?
2. Does the board annually approve and publish a set of goals that supports its vision of a desired future?
3. Has the board established processes for the development, approval and review of policy?
4. Do board members regularly refer to their policy manuals in the conduct of the board's business?
5. Do the executive director and staff have easy access to policy manuals?
6. Does the staff refer to the policy manual as a guiding operational document?
7. Is the board's focus perceived to be with policy and planning?
8. Are the decisions and actions of the board consistent with the plans and policies defined by the board?



Indicators of board effectiveness

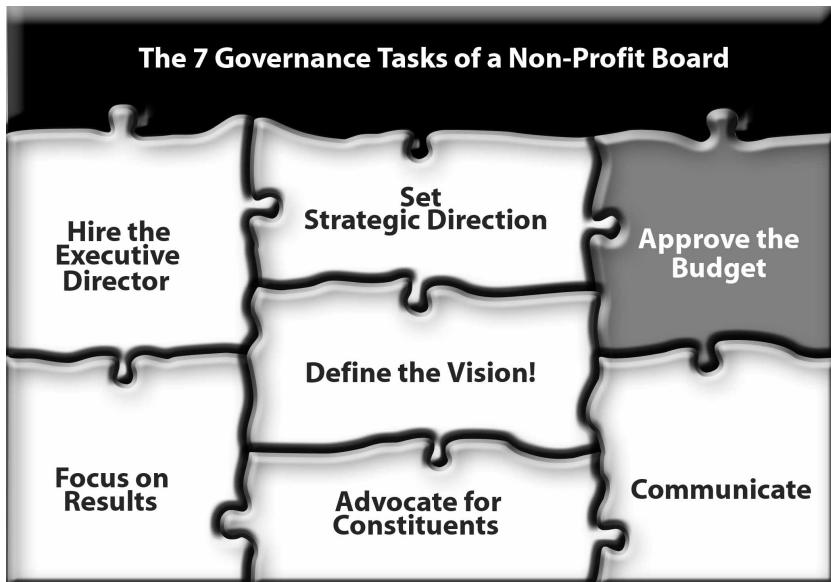
1. The board has defined, in writing, its mission, values, goals and policies - in the context of the vision it is trying to achieve.
2. The board has a multi-year strategic plan in place designed to move the organization forward toward its desired future, and according to a schedule as approved by the board.
3. The board's strategic plan is the foundation for board decision-making.
4. The board and the executive director meet regularly to discuss progress with the strategic plan.
5. The focus at board and board committee meetings is on planning, direction-setting and policy topics.
6. The board maintains an up-to-date policy manual, and it is referenced regularly by the board and executive director.
7. The board has a process in place for reviewing and updating policies.

★ Effectiveness exercise

Have the board review its past six board meeting agendas, and the corresponding board minutes. To what degree was the board's focus on setting direction – on planning, on setting goals, and on discussing and approving policies?

Chapter 8

Approving the Budget



Board members, new and experienced, are often intimidated by matters of budget and finance. They may not properly understand what the budget represents, how it is created, or how to read and interpret budget reports and documents.

It is unrealistic to expect that new board members will fully understand the system's finances during the orientation process. This is particularly true for larger organizations where budgeting processes are more complex.

What is the budget?

A budget is simply a forecast of expected revenues and expenditures for a stated period of time, usually a year. It is a projection of the funding needed to finance the organization's operation for its budget year.

A budget is simply a forecast of expected revenues and expenditures for a stated period of time, usually a year.

For most non-profits, the majority of operational costs are for staff.

Boards may control two distinct budgets – an operational budget and a capital budget. The operational budget projects expenditures to cover basic operating costs: for example, salaries and benefits for employees; training for board members, administrators, clerical and other staff; and utility, transportation and custodial costs. For most non-profits, the majority of operational costs are for staff. It is not unusual to find that over 90% of an organization's budget is for staff-related costs.

The capital budget includes costs for site purchases, facility construction and renovation, and purchases of major pieces of costly equipment such as vehicles and busses. The board may need to enter into long term financing arrangements to support the purchase of capital budget items.

What is the purpose of the budget?

Basically, the purpose of the budget is to carry the organization forward into the next year of its operation.

For some board members, the strategy for budget planning is to determine what is required to continue with existing programs and services, and then to consider additional services. Boards that take this approach assume that current funding levels must be maintained, with an upward adjustment for inflation, and that additional funds will be required to support any new programs and services the board authorizes.

With this approach to budget planning, boards may find themselves focusing on what they can't do because of the funds they don't have. For example, a board with an annual budget of \$1,000,000 and the need for an additional \$100,000 to cover inflationary and new program costs may place most of its time and effort on the \$100,000 shortfall, the amount it doesn't have, and not on the \$1,000,000 it already has.

Effective boards start their budget planning not with what is, but with a vision and the goals that will lead them towards their desired future.

Effective boards start their budget planning not with what is, but with a vision and the goals that will lead them towards their desired future. Their goals become a priority and the board accepts the challenge of finding the funds necessary to finance them. For example, a daycare society that sets as a goal "to provide a daily, nutritious, hot lunch for the children in our care", will make a commitment to bring this goal to reality. They may have to reduce costs in other areas; they may have to charge parents a larger month-

ly fee; they may have to undertake some fundraising. The point is that they commit to making it happen.

A board whose focus is on maintaining existing programs may also have the desire to produce a daily, nutritious, hot lunch program, but it may say it can only do so if funding “somehow” becomes available. Hoping something will happen is different from a commitment to make it happen. Which is the approach of your board to budget planning?

The purpose of the budget, then, is not simply to carry on with existing programs and services. More importantly, it is to ensure that the priorities of the board are implemented, that its goals are achieved, and that the board achieves its vision and mission.

What expertise in finance and budget are board members expected to have?

It is not required that board members have expertise in finance and budgeting to be effective.

While budget and finance may seem to be a complex and difficult area, don't be intimidated. The design of a non-profit board is such that lay members of the community should be able to effectively lead and create the direction for the operations, without any special training or expertise in managing organizations.

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Only on boards of very small non-profits, which operate on a volunteer basis with no paid staff, are board members recruited for their expertise in management skills. In this situation, a member of the community with accounting, bookkeeping or financial management skills may be invited, for example, to join the board and to act as the organization's treasurer.

Otherwise, common sense and the skill of asking the appropriate questions in any situation are the two basic requirements of a member on a non-profit board. Do not allow others to intimidate you during the board's discussions and debate on budget and financial matters.

Following are four strategies board members can use to improve their knowledge of board finance and budgeting.

1. Request that board in-service training be arranged periodically regarding financial operations and the development of the organization's budget.
2. Independently study and learn about the organization's finances.
3. Ask that financial matters be presented and explained in a simple format understandable to board members. This may require that the executive director prepare a budget and finance guidebook that explains various aspects of the organization's financial operations.
4. Learn the appropriate questions to ask when matters of budget and finance are being discussed.

Why do budget figures always seem be changing?

Think of the budget as amounts set and fixed in advance by the board. The board projects its revenues and expenditures for the upcoming year, then works to ensure that, as much as is reasonably possible, actual revenues and expenditures match its projections.

The budget, once approved, doesn't change, unless, of course, it is further revised by the board. The actual revenues and expenditures for a budget year may end up being, and for most organizations will be, different than what the board authorized for the final budget.

Consider the following simple example of a organization with an operating budget totalling \$2,000,000 which follows the provincial government's budget year April 1 through March 31 annually.

Let's look first at the revenue side of this organization's operation. The board needs \$2,000,000 to operate the organization for the upcoming year. Assume the board expects to receive \$1,250,000 in government grants, to receive \$500,000 from membership fees, and to fundraise the remaining \$250,000. These three revenue sources comprise the board's budget of \$2,000,000.

Having established a schedule for the preparation of the budget, the board, during the fall months, begins receiving information and asks its administrator to prepare estimates of revenues and expenditures for the upcoming budget year. Everything proceeds as planned and the budget is finalized and presented for board approval in say January.

Once approved the budget is fixed, meaning that, on paper, the amounts as set in the budget remain constant, regardless of the actual revenues and expenditures that will occur. Now assume that, in late February, the board receives notice that its government grants as promised will be decreased by 2%, a seemingly small amount. However, 2% of an expected \$1,250,000 in government grants amounts to a \$25,000 shortfall.

This now presents a problem for the board. It has already approved the next year's budget. It projected government funding as accurately as it could based on the most up-to-date information that was available in January when the budget was finalized. And yet it now has a \$25,000 revenue shortfall, and the budget year hasn't even yet begun!

The board has several options, and direction from the board is required. It can reduce its expenditures by cutting costs; it can seek to fundraise \$25,000 more than it intended; or it can consider going into deficit, that is, into debt. Some public, non-profit boards are not allowed to be in deficit and your board may not have this option.

Similar challenges may occur on the expenditure side of the organization's operation. Let's look at just two projected operational expenditures – Workers Insurance premiums and utility costs. Assume that the board had projected annual Workers Insurance premiums costs for its employees of \$4,000 and utility (hydro and gas) costs of \$10,000. In April, after the budget year has started, the board unexpectedly receives notice that Workers Insurance costs will increase by 50%, effective immediately, and that utility costs will increase by 30% effectively October 1st. The financial officer quickly calculates that these two increases will add \$2,000 and \$1,500 respectively to the budget.

These examples are typical of what happens during a budget year. Now imagine this extent of change occurring in many areas of your organization's budget. Generally, about the only thing that many boards can be assured of is that revenues will go down and costs will probably go up. Adjustments within the finalized budget figure will be necessary as the budget year progresses.

This is one reason why it is difficult for board members to understand and interpret finances and their budget. The figures are always changing! Accept

Generally, about the only thing that many boards can be assured of is that revenues will go down and costs will probably go up.

that this fluctuation is normal and that adjustments have to be made on an ongoing basis.

Some boards want a detailed accounting and explanation of these unexpected changes from their administrator. Other boards ask for a brief explanation and task the executive director to make budget adjustments as required, and to keep them informed. For the example just mentioned, the executive director may offer to immediately cut office expenses by \$3,500 to cover the increased Workers Insurance premium and utility cost shortfalls. In this case, no board action is required, and the board has been informed that the office will be operating with a reduced budget.

What are the board's responsibilities in developing, approving and monitoring the organization's budgets and financial operations?

The board responsibilities are to ensure that processes are in place to: prepare the annual operating and capital budgets for approval by the board; monitor expenditures; and ensure that financial operations follow accepted accounting practices.

The board can direct its executive director to propose criteria, a process, and a schedule for the preparation and approval of the budget. When this information is received, the board can either accept the proposal as presented, or suggest changes as it feels are necessary. The executive director does the work. The board considers, that is, discusses and debates, the executive director's recommendations.

To monitor the budget and expenditures, the board creates policy as direction to the executive director, and requests that budget information be presented in a format acceptable to, and understandable by, the board. For example, the board may direct that its executive director provide monthly reports detailing the percentage of budget funds that has been spent or committed for each area of the organization's operation. If the year is half over and the percentage of funds remaining for staff salaries is only 40%, it is logical, and expected, that board members will ask why 60% of funds have been spent when there is still 50% of the budget year remaining.

It's a simple question, and one that the administrator should be able to answer. If the executive director cannot provide a reason acceptable to the board, that in turn should beg some further questions from board members.

If the board is not satisfied with the presentation or formatting of budget information, it can request in-service training, further explanations from staff, or it may ask for the information to be presented and formatted differently.

Another check on the organization's finances is the annual auditor's report. The board should, and may be required to, have the organization's funds audited annually by an external accounting agency. The requirement for an annual audit should be stated as a matter of board policy. Independent auditors check the organization's financial records and report their findings, in writing, directly to the board. After reading the reports, the board should arrange to meet with the auditor to ask questions and to have any of its concerns addressed.

The requirement for an annual audit should be stated as a matter of board policy.

Note that auditors do not normally check every detail nor each expenditure, unless specifically asked to do so. Rather, they review the organization's accounting processes and practices, and then check a random sampling of expenditures and invoices. If there are concerns that inappropriate activity may be occurring in the financial operations, the board may direct that a more thorough audit be undertaken.

It is not unreasonable for the board to insist that financial information be presented to the board in a manner that is clear and understandable to lay trustees. Be persistent. Do not allow the executive director or financial officer to intimidate you, confuse you, or avoid answering questions that are of concern to the board.

It is not unreasonable for the board to insist that financial information be presented to the board in a manner that is clear and understandable to lay trustees.

Summary

The board is responsible and accountable for all of the organization's finances. A board is wise to ensure that policies and procedures are in place to protect this funding, and to ensure that funds are expended according to direction approved by the board.

The board can direct whatever processes it deems appropriate for the planning, development, review, approval and monitoring of budget and finance matters. The exception is when the board is responsible to a higher authority that dictates otherwise.

The organization's budget is a forecast of anticipated revenues and expenditures over a period of time, usually a year. Depending on the type of non-profit it leads, the board may have both an operating and a capital budget. The board's planning processes should ensure that the budget is developed after goals have been finalized and approved, and not the reverse.

Actual revenues and expenditures may not be as predicted, and changes as directed by the board may be necessary as the budget year progresses.



The Right Reflective Questions

Approving the budget

1. Does the executive director provide budget information to the board in a format easily understandable by individual board members?
2. Have the criteria and process for the development of the board's operational and capital budgets been defined?
3. Is the final budget as approved by the board consistent with the budget criteria and process that was approved by the board?
4. Does the board have policies in place that provide appropriate direction to the executive director regarding budget development, approval and monitoring?
5. Has budget priority been given to directly supporting annual goals as approved by the board?



Indicators of Board Effectiveness

1. Board members understand the budget and carefully monitor the organization's finances.
2. Policies and procedures are in place that define and clarify the board's expectations for the development, approval, and monitoring of the budget.
3. Annual goals are defined and approved by the board before the budget is considered. Further, the budget as approved is consistent with the goals set by the board.

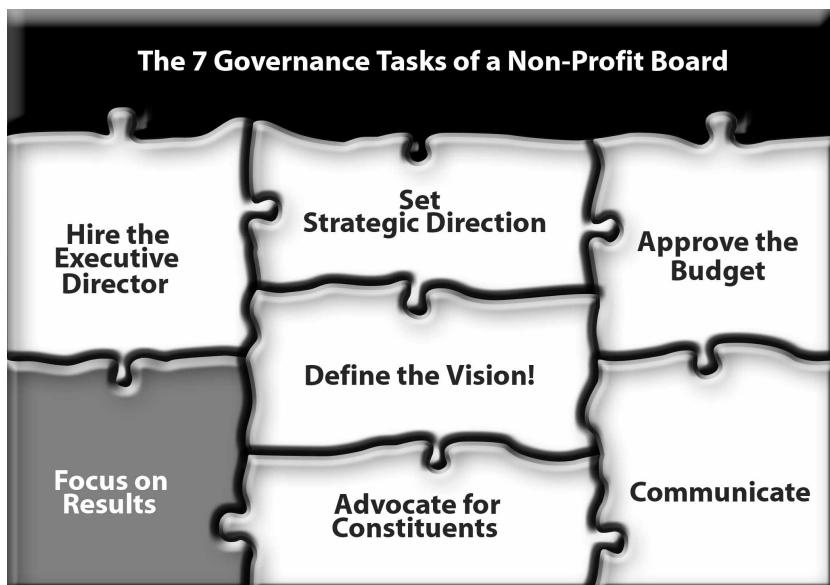


Effectiveness Exercise

Think outside of the box! What vision would the board have and what goals would the board set if it had unlimited funds? How important is it to the board and constituents that this vision be achieved? Brainstorm ways of raising the additional funds required to implement this vision.

Chapter 9

Focusing on Results



The board is clear about its organization's purpose, has defined a vision for its desired future, has an executive director in place to lead the process, and has ensured a budget sufficient to progress toward goals set by the board. All this is for nought if the board does not now focus on results. The planning is the preparation. The results are the execution.

Defining the board's expectations

It has been said that “we get what we expect in life.” The reason many boards do not focus on results is that they have never properly defined their expectations. Their attention has been distracted from what they want the organization to achieve, to immediate organizational pressures, crises and needs, and how the staff is responding to them. Further, separate from not having set clear expectations for the organization, the board may have never

The reason many boards do not focus on results is that they have never properly defined their expectations.

set any clear expectations for the performance of the executive director or even for itself as a board.

The board's eyes should always be looking beyond the present to the future.

When its attention is with the daily operation of the organization and the activities of staff, the board will become trapped in the present and find it difficult to focus on the future. The board's eyes should always be looking beyond the present to the future. Its focus should be toward goals, and not with the obstacles to achieving them. It should view what is in the context of what can and should be.

The clearer the board is about its expectations for performance and results, the easier it is for the board, staff and constituents to assess progress.

Attending to the organization's purpose

It is easy for a board to lose sight of, and become distracted from, its organization's purpose. School board members often complain that by the time they've dealt with personnel, budget, bussing, and facility issues, they don't have time to deal with educational matters. The relative importance and priority for these matters is seldom considered, or is misunderstood. If the board is so caught up in operational matters that it has no time to focus on its purpose and the organization's future, something is wrong. What's probably wrong is that the board has lost its perspective.

Regrettably, for many board members, anything that is an issue or a perceived problem for the organization is a matter for board attention.

Regrettably, for many board members, anything that is an issue or a perceived problem for the organization is a matter for board attention. The more the board becomes involved in the organization's daily operation, the greater the demands and pressures on its time. As the board struggles to keep everything in perspective, it finds it has to put off something. Too often that something is attention to the future and such tasks as vision and mission and goal-setting.

It is sad to hear that operational concerns so often displace learning and student achievement as a school board's primary focus. Effective boards develop processes to ensure that their attention is continually directed towards matters of primary importance. If a school board believes that student learning and achievement, and the provision of educational programs and services, are of primary importance, then it must ensure that its attention is directed and continually focused towards these important matters.

This is why defining the vision, setting goals and expectations, and focusing on results is so important. Giving priority to each governance responsibility keeps the board's attention directed toward its purpose.

Strategies for keeping the board's attention focused to the organization's purpose

Following are several strategies that a board might consider as it works towards building a focus on results.

1. Approve policies that mandate a regular review of all of the organization's programs and services, and require the reports to be presented to the board.
2. Ensure that programs and services scheduled for review are listed in the board's annual goals document.
3. Appoint a board committee of the whole, whose sole purpose is to increase the board's awareness and knowledge of the organization's programs and services.
4. Periodically hold board meetings away from the board's offices and meeting room, in a location where constituents and others can observe the board in operation.
5. Require that a portion of board meeting agendas be used for progress reports for the board's results-focused goals document.

Monitoring programs and services

It is not required, nor is it necessary, that the board knows everything that is happening within the organization. The great majority of the organization's daily workings can and should be handled by staff. The board's attention should be directed to ensuring that programs and services are operating as expected and are achieving the results as intended.

It is not required, nor is it necessary, that the board knows everything that is happening within the organization.

Your credibility as a board member will increase as your awareness and knowledge of the organization's programs, services and operations increase. It is difficult to have meaningful discussions with the executive director and others if you do not have at least an elementary knowledge of the workings of the organization you represent.

Understand, however, that it is not your knowledge and understanding of the system that makes you effective as a board member. Your effectiveness

You don't have to know how to drive the train, but you do need to assess whether or not it is on the track you intended and headed for the agreed-upon destination.

relates to your ability to challenge the board to focus on organizational goals and intended outcomes. You don't have to know how to drive the train, but you do need to assess whether or not it is on the track you intended and headed for the agreed-upon destination.

As the board develops its process, and considers a policy, for monitoring the organization's programs and services, the following questions should be discussed with the executive director.

1. What programs and services will be reviewed?
2. What is the purpose of each review?
3. What will be the schedule and deadlines for completion of the reviews?
4. Which reviews will be external and which will be conducted internally by staff?
5. Who will conduct the reviews?
6. What criteria and process will be set for the reviews?
7. What information from the reviews will be reported to the board?

Summary

It is not the task of the board to do the job, but rather to see that the job gets done. This means that the board's primary focus has to be towards results. The smaller your organization, the smaller the community in which it is located, and the greater the interaction among board members, staff and constituents, the more difficult it is for the board to back away from daily operational issues, and to focus on whether or not its expectations have been met.

The board should annually approve a results-focused, annual goals document that clearly outlines, in advance, the outcomes desired and expected, the specific measures for achievement of goals, and the schedule for completion. This should be prepared by the executive director, in consultation with the board. The board's policies should clearly state that it expects the executive director and staff to give priority to the achievement of these goals and that they are a priority for the staff's work.



The Right Reflective Questions

Focusing on results

1. Has the board clearly defined its expectations for the effective operation of the organization, for the performance of the executive director, and for the performance of the board?
2. Does the board have a policy in place directing that reviews of programs and services occur on a regular cycle?
3. Is the board knowledgeable and well-informed regarding the programs and services offered by the organization?



Indicators of Board Effectiveness

1. The board's focus is directed primarily toward the organization's mission and vision.
2. Board policies mandate a regular cycle of reviews for the organization's programs and services.
3. The board approves criteria and a process for organizational reviews.
4. Board members are well informed regarding the organization's programs, services and operations.

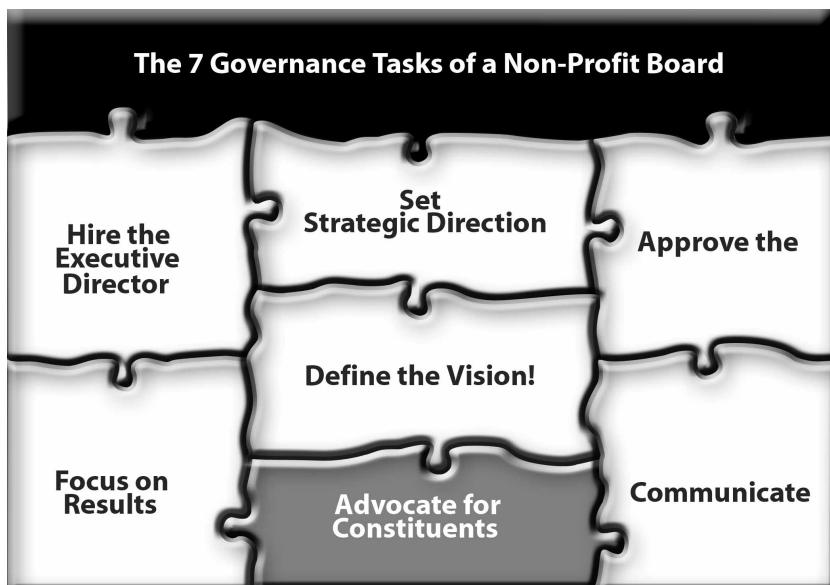


Effectiveness Exercises

1. Have the board direct the executive director to prepare a draft policy for board discussion that requires that all of the organization's programs and services be formally reviewed on a scheduled basis.
2. Ask the executive director to propose, for the board's consideration, a long-term schedule for review of all of the organization's programs, services and operations? Which should be reviewed first and why?

Chapter 10

Advocating for Constituents



Boards are the primary advocates for the organization's constituents. A board focused properly on its governance role will always have the interest and well being of constituents as its primary concern. That's why its focus must always be outward towards the community it serves.

A board whose interest is the daily management and workings of the organization will find its attention is directed inward, primarily toward the activities and efforts of the staff.

Effective governance requires that boards keep their constituent's needs, and not staff needs, as their higher priority. Staff must be treated fairly and with respect, but the board's primary focus must always be towards constituents, and how the organization's mission and vision serves their needs.

A board focused properly on its governance role will always have the interest and well being of constituents as its primary concern.

The political role of the board

Board members, staff, constituents, even levels of government, all have an interest in shaping the direction of the organization. The board will hear a wide variety of ideas, opinions and suggestions on issues from many sources, and they may be expressed passionately. The board should be viewed as a repository for these wide-ranging and often contradictory viewpoints. In the end, the board must take a position on each issue under debate, and make decisions and give direction. And while various board members may represent and express these viewpoints, the board itself can only speak with one voice.

*To be on a board means
that you cannot keep
everybody happy all of the
time.*

The board must filter, interpret, and make sense of the information and input it receives. To be on a board means that you cannot keep everybody happy all of the time. This is difficult for board members who would prefer to accommodate and satisfy everybody. People who agree with the board's decisions will feel supported. Those who do not may feel upset and angry.

*One of the key tasks of the
board is to make
decisions based upon an
input of conflicting
interests and viewpoints.*

Leadership occurs in an atmosphere of conflict, meaning disagreement. Without disagreement there is no need for the board. One of the key tasks of the board is to make decisions based upon an input of conflicting interests and viewpoints. It is natural and normal for people to disagree. The board must work to sort out the disagreement and make decisions that enable the organization to move forward.

Boards by their very nature are political entities, and their members are the organization's official politicians. Politics starts with the board. Your fellow board members will want to influence your thinking and decision-making towards their areas of interest. Knowing that the board must take a position on issues, and that it can only support one position, they will want you to support their point of view.

You have two choices. Either support the ideas and positions suggested by others, or propose your own, and strive to influence their thinking to your ideas. This very process of influencing others is politicking. The most successful politicians are those who can solicit the support of others to their positions.

Staff members concerned for their jobs, whether part of a union or simply as individuals, will want to influence board decisions that give requested staff support and which provide additional funding for programs and services. Constituents who demand new programs and services, or who are concerned with the possibility of losing existing programs, will similarly want to influence the board's decisions.

These are examples of influences on board members, and they are very much part of the politics of your organization. You will be lobbied, directly or indirectly, to give support to various groups, individuals and interests. In responding to pressures, always keep your organization's mission and vision front and centre, and make decisions that support the future your board is attempting to create.

Who do you represent as a board member?

It is not uncommon for a board to appoint one of its members as its representative to yet another non-profit board. For example, a band council may appoint one of its members as its representative to the band's school board. The member then sits as a voting member of the school board.

This immediately raises the issue of who the member is representing when the school board meets. When he speaks on a school board issue, is he speaking as a school board member, or as a member of the band's council? If the school board and band council have differing priorities or see issues differently, it creates problems for the member trying to simultaneously represent both groups.

One strategy for dealing with this situation is to imagine that the board member is wearing a "hat" when he speaks on a matter. He may clarify that, as a board member, he wears two hats. Imagine him wearing one hat when he is speaking as a council member, and a different coloured hat when he is speaking as a school board member. At school board meetings, he is a school board member, and should speak and vote on matters in the interests of the school board's constituents.

It is important that a member in this situation be allowed to speak from different perspectives. The member should clarify which "hat" he is wearing as

*In responding to
pressures, always keep
your organization's
mission and vision front
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he makes his comments, particularly if his comments appear to be contradictory.

The political role of the executive director

Politics is the realm of the board, not of the executive director.

Politics is the realm of the board, not of the executive director. The wise administrator understands that she works in a very political environment, and strives to remain apolitical. She accepts that politics shapes the decisions and direction of the board and that she will be lobbied, directly or indirectly, because of her perceived influence with the board. She provides advice and input as appropriate, and may, through artful presentation of information, influence the board's decisions, but she pulls back from becoming embroiled in the board's politics.

The executive director does not work for you individually, or for any other member of the board. She works for the board as a unit.

Be sensitive to your expectations of the executive director as you express your thoughts and ideas. The executive director cannot support each individual board member's point of view on an issue, nor should she. The executive director does not work for you individually, or for any other member of the board. She works for the board as a unit. The executive director must support the decisions and direction as given by the board at a properly constituted meeting.

It is normal for board members, individually or in small groups, to want to influence the executive director to their point of view on an issue. For example, three members on a nine-person health board may feel strongly that a new service be provided. If they lobby the executive director for support to their position, against the wishes of the other board members, they place the administrator in a difficult position.

If the executive director is seen to be accommodating the interests of certain board members, this action may alienate the remaining board members. The executive director has a point of view and may feel strongly about an issue, but she must be careful about expressing it. When it's seen to influence the board's vote, some board members may feel that the administrator is stepping into the domain of governance, the board's responsibility. This is dangerous territory for an executive director.

Summary

Politics is the process of influencing decisions. The board operates in a political atmosphere. To be a member of a board is to be a politician. Understand and accept that, as a board member, you will be lobbied as others attempt to influence your decisions.

Politically, your accountability is to your constituents. Serve their interests well.



The Right Reflective Questions

Advocating for constituents

1. Is the board's attention primarily focused to the needs of constituents?
2. Do the board's constituents perceive the board as their advocate? As a strong advocate?



Indicators of Board Effectiveness

1. The board is the primary advocate for the organization's constituents.

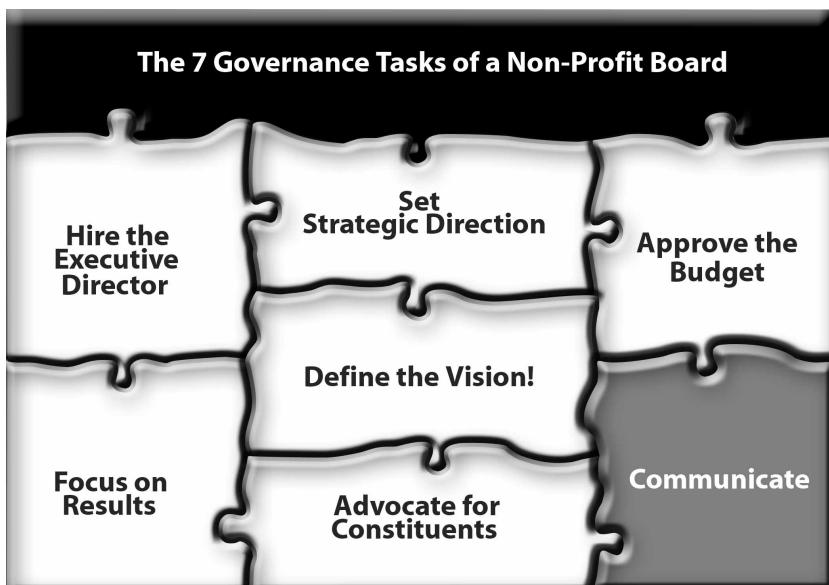


Effectiveness Exercise

Request that the board consider a survey of its constituents to determine their level of satisfaction with the board's advocacy on their behalf. When was the last time this was done? If it has not been done previously, why not?

Chapter 11

Communications



Communication is a two-way process

Effective boards build a commitment to their organization's mission and vision through a strong, two-way communications program. Communications is not just the transmission of information to others. It is also the process of listening and receiving input, information and feedback from others. It is not only about how the board communicates with its various publics but also, as importantly, how its publics are able to communicate with the board.

A communications problem for board members is assuming that a message sent is a message understood. Because the board, or the executive director, has said, written or published information, it is incorrect to assume that its message has been "heard" — that is, received and understood by the intend-

A communications problem for board members is assuming that a message sent is a message understood.

ed audience. Boards must develop multiple communications strategies to expose people to ideas many times and in many different ways before they can assume their messages are being heard and understood, and it should only make this assumption if it has feedback mechanisms as a communications check.

Who is the spokesperson for the board?

Who is to be the board's spokesperson is a decision for the board.

Who is to be the board's spokesperson is a decision for the board. The board chairperson is often designated responsibility for this task. In the absence of any direction from the board, the board chairperson may assume this role.

Board members who choose to speak to the media or others about board or organizational matters should make it clear that they are speaking as an individual board member, and not as a representative of the board. Board members are free to express their individual opinions but, unless they have been authorized by the board to speak on the board's behalf, they should not leave the impression that their comments represent a position of the board.

The executive director does not speak for the board.

The executive director does not speak for the board. The executive director may be a spokesperson for the organization and often does, with board approval, speak on matters affecting the system's operation.

Communications among board members

Problems and misunderstandings will occur when one or more board members are left out of the information loop, or when they do not receive information at the same time as their colleagues.

Communications among board members may become a board issue, particularly if information is not shared equally among board members. At the board table, each board member receives the same information and hears directly the comments made during the board's meetings. Away from the board table, communications and interactions among board member is more informal. Cliques and alliances form, and members may share and discuss information individually and in small groups.

Between meetings, the board should ensure that any communication from the board chairperson or executive director is sent simultaneously to all board members. Problems and misunderstandings will occur when one or more board members are left out of the information loop, or when they do not receive information at the same time as their colleagues.

Regardless of the geographic location of board members, regular updates can quickly be transmitted through faxes or group e-mails. For those without this technology, information can be packaged and mailed.

Communications with the executive director

Technically, the board's communications and directions to the executive director occur at board meetings. Between board meetings, it is expected that the executive director will attend to the decisions and direction of the board, and to the daily management of the organization.

However, it is unrealistic to expect that communication with the executive director will occur only at board meetings. Board members generally desire some additional communications with their administrator. In smaller communities, this contact between board members and the executive director occurs naturally, often daily, through informal contact and discussion as they go about their everyday business.

There are advantages and disadvantages to having board members meet or directly contact the executive director between board meetings. Some boards, those with harmonious relationships among board members, may encourage such contact through personal telephone calls, coffee, breakfast or lunch meetings, or through informal meetings at the executive director's office. This practice will be encouraged by those board members who prefer that their time not be wasted at board meetings discussing matters that are only of interest to an individual, and not to the rest of the board. Those who do not require detailed explanations may prefer that others with a greater need for detailed information meet separately with the executive director to have their specific questions answered at other than a board meeting.

On boards where relationships are more fragile, such informal contact and communication can cause problems. Those who meet regularly with the executive director may be seen as the administrator's "favourites" and resentment may occur if it is seen that some board members are receiving more information than others.

It is not unusual for cliques to form among board members, cliques that represent differing viewpoints, personalities, or political philosophies.

When one or more board members from a clique contacts the executive director for information or advice, or to strongly suggest a course of action, this places the executive director in a difficult position. If she meets with them, provides them with information, or discusses matters with them, she may be perceived by other board members as favouring that clique of board members.

Board members who are assertive and ask a lot of questions may be able to draw significant information from the executive director at these informal meetings, and information that the executive director might not normally share may end up in an information loop that was not intended.

When board members contact and discuss matters individually with the executive director, expect that confusion, misunderstandings, and miscommunications may occur.

When board members contact and discuss matters individually with the executive director, expect that confusion, misunderstandings, and miscommunications may occur. The executive director cannot ensure that all board members will receive exactly the same information from the discussion in these meetings. She certainly cannot control how her comments will be interpreted. What responses the executive director gives to questions will depend on what questions are asked, and how they are asked.

For example, take the situation of board member who arranges to meet informally with the executive director and, during their conversation, a recent board issue is discussed. It is very easy for the executive director to make a comment or inadvertently pass along a piece of information about something that is not yet known by other board members. Later that day, the board member runs into one of his fellow board members and it comes out that the executive director said something important, or that seemed to be important, that had not been shared with the other directors.

The wise executive director works diligently to ensure that, as much as is reasonably possible, all board members get the same information at the same time.

Other board members who later discover that one of them was somehow privileged enough to have received the comment personally from the executive director may feel resentful towards the executive director.

Obviously the executive director will be apprehensive about responding to individual board members' communications and meeting requests. The wise executive director works diligently to ensure that, as much as is reasonably possible, all board members get the same information at the same time.

At a minimum, board members do expect that the chairperson and the executive director have contact as necessary and appropriate between board meetings. Where the board chairperson has the confidence and support of the full board, such communication with the executive director will not be a problem. Where there is a split board, and the chairperson is associated with one faction on the board, or where the chairperson does not have the support of a minority faction on the board, communication between the chairperson and the executive director may be suspect. Regardless, any communication or direction from the chairperson to the executive director should be consistent with that given by the board at its meetings.

The board chairperson places the executive director in a difficult position if he gives direction to the executive director that does not originate from the board. This can easily occur, especially if the chairperson has been in the position for some time and becomes used to speaking for the board. If this is left unchallenged, the chairperson may become very comfortable speaking for the board, especially if no-one challenges his authority to do so.

Where these problems occur, the board may need to meet informally with the executive director and discuss communications issues. The priority should be to ensure that information is shared equally, promptly, and in a manner acceptable to the board.

How should the board and individual board members communicate with employees

Very carefully!

Board members should approach direct communication with the organization's employees with caution. Significant communication problems can develop between the board and the executive director when channels of communication are not followed.

The board speaks as a corporate body and the effective board channels communication to employees through its executive director. The executive director is the singlemost senior staff person ultimately responsible for the system's operation. When this channel of communication is bypassed, the information flow is disrupted, and confusion, misinformation, and misunderstandings can easily develop.

The board speaks as a corporate body and the effective board channels communication to employees through its executive director.

It is not uncommon to find board members making direct contact with employees for a variety of reasons. They may have simple questions about the organization's operation that do not require the executive director's time personally to answer them. It is appropriate to make such inquiries and not to bother the executive director with every minor question.

Sometimes board members interested in finding out details of the system's operation prefer to find this information for themselves, without it being filtered through another individual, and particularly through the filter of the executive director. In small organizations, and in small communities, the board member's neighbour, work colleague or friend may be an employee of the organization. Informal conversation in such situations will bring board members into direct contact with employees.

Be careful that you are not lobbied for information or that you are not persuaded to take a point of view or course of action that could undermine the executive director. Employees who do not get their way, or who do not feel supported by the executive director, may try to communicate directly with board members.

Whenever the executive director is left out of the information loop in communications between board members and employees, problems will develop. If employees contact you directly about matters that should more properly be discussed with the administrator, refer them to the executive director. If you do hear them out, be sure to contact the executive director immediately and share the information received.

Communications with constituents

Constituents often contact board members directly. Board members who are contacted directly by a constituent with a complaint or question should always listen to the constituent's concerns. If the matter is a simple request for information or clarification, the board member may find the communication easy. However, if the constituent's comments relate to a complaint or concern with an employee, the board member should proceed with caution. Again, listen to the complaint, make sure you understand the concern, then refer them to the executive director and call the executive director to alert her that someone will be calling in regard to a matter.

You may wish to call the executive director yourself and pass along the information, and ask that the executive director handle the situation directly.

Communications with the media

The work of some boards requires little or no contact with the media. On any board, however, an unexpected situation could arise that attracts the attention of the media, and a board is wise to be prepared for such an occurrence.

If the media determines there is a story, their reporters will be very aggressive in pursuing information. They may directly contact board members, the executive director, employees, constituents, and community citizens. If the media can get comments from individual board members that are contradictory, they may develop a story that takes on a life of its own.

If policies or procedures have not been developed to help channel the flow of communications, confusion and embarrassment may occur.

There are several strategies a board can pursue if the media desires information about your organization. First, if the interest is informational, the executive director may be expected, or authorized, to speak for the organization. If the matter is political or controversial in nature, the board may expect the board chairperson, or some other designated spokesperson, to speak for the board. If the matter is particularly sensitive, the board may wish to quickly meet, agree on a course of action, and issue its own media release.

Be cautious in your dealings with the media. Reporters will be selective about which comments to use in their story, depending on their story slant. Many a board chairperson, board member, or executive director has given complete, accurate, and direct information to a media representative, only to find that one or two of their comments were taken in isolation, and totally out of context, and the story presented in a manner that shocks everyone. This may cause embarrassment to the board, the executive director, or even the organization. On controversial matters, a board is wise to issue its own media release, giving its side of a story, with relevant information and facts as the board decides.

Summary

Effective two-way communications should be a goal of any non-profit board. The board should put as much effort into receiving feedback from constituents and staff as it does in sending out information through a variety of channels.

Every effort should be made by the board chairperson and the executive director to ensure that board members receive information simultaneously and that none are left out of the information loop.

For substantive matters, communications between the board and staff should be through the executive director. In smaller communities and smaller organizations, where relationships are close and daily contact is expected, it is normal to expect more direct communications between board members and staff.

Boards can improve their relations with media by developing their own media releases, and by designating a spokesperson for the board.

The greater the polarization on a board and the greater the board member conflict, the more difficult it will be to control the channel of communications.



The Right Reflective Questions

Communication

1. Does the board use a variety of strategies to communicate information to its publics?
2. Does the board seek input and feedback from its constituents?
3. Does the board's spokesperson communicate effectively as the voice of the board?
4. Does the board maintain effective communications with the media?



Indicators of Board Effectiveness

- 1 The board seeks and welcomes input and feedback from its publics.
2. The board works with the executive director to ensure that information is shared equally with all board members.
3. The board maintains an effective relationship with the media.
4. The board channels communications with staff members through the executive director.



Effectiveness Exercise

Have the board meet to review its communications strategies. Who are the board's publics? Is the board satisfied that it is communicating effectively with each of them? What changes can the board make to improve its communications?

Chapter 12

Effective Meeting Strategies

Board members and their administrators sometime complain that they have too many meetings and that board meetings are less productive than they desire. At times, the life of a board member and its administrator may seem to be an endless series of meetings. Excessive meetings place demands on your time, making it difficult for board members to balance their professional and personal lives.

Increasing the effectiveness of board and board committee meetings should be an ongoing priority of the board. By re-examining your board's current meeting practices, you may find several strategies that can not only save valuable time, but also will enable the board to conduct its business in a more professional, productive manner.

How boards prepare for meetings and conduct their business varies. Boards of smaller non-profit agencies tend be more informal in their meeting procedures than their larger counterparts. Regardless, a board must clarify its rules of order for board meeting discussion and debate, and create procedures to resolve disagreement and arguments at the board table.

Types of board-initiated meetings

Board members will attend meetings of the board and board committee meetings. The board properly conducts its business at, and only at, duly constituted board meetings. Board committees assist the board with its business, but committee meetings are not meetings of the board where board decisions can be made. What board committees a board establishes, their purpose, and their membership, is discussed in Chapter 4.

The life of a board member and its administrator may seem to be an endless series of meetings.

A board must clarify its rules of order for board meeting discussion and debate, and create procedures to resolve disagreement and arguments at the board table.

Board meetings

There is no one, correct way to conduct the business of a board.

There is no one, correct way to conduct the business of a board. A board's approach to the conduct of its business will vary according to: the training, background and experience of board members; the influence of the executive director; past practices, local politics, and reporting requirements, if any, to a higher authority.

Board meetings are of two types: regular and special. Regular board meetings are held according to a predefined schedule as determined by the board. The frequency and length of the board's meetings, and the topics for discussion, are as determined by the board.

“Special” board meetings are called when an urgent matter requires the board’s attention prior to a regular board meeting. The discussion at a special board meeting should be limited to the topic(s) as stated in the published agenda for the meeting.

It is important that boards define the circumstances under which special meetings can be called and the required notice to board members. For example, a board might clarify in its meeting bylaw that a special meeting of the board can be called for a specific stated purpose, but only with 72 hours notice to board members (the notice time will vary). The board might further clarify that, in emergency situations, the 72 hour notice requirement may be waived with the unanimous consent of board members. In this situation, the board would be free to meet as quickly as board members could get together, providing of course that all board members had been notified of the meeting.

Two reasons for special board meetings include:

- financial situations requiring the direct and immediate attention of the board;
- an incident involving the executive director which affects her ability to fulfill her responsibilities.

Board committee meetings

The conduct of board committee meetings generally follow many of the same procedures as for board meetings, but with important differences. A board committee meeting is not a meeting of the board, even if meets as a

committee of the whole, that is, as a committee consisting of all board members.

Committee members cannot make motions and the committee cannot make decisions on behalf of the board. The committee chairperson will present the committee's report to the board at a board meeting, and will present any recommendations of the committee as motions for the board's consideration.

For example, after discussion about a specific policy matter, a board policy committee consisting of all board members may come to agreement on wording for a board policy. Because board members are participating in a board committee meeting, they cannot make a decision at this meeting. They can make a recommendation that, at the next meeting of the board, the board formally adopt the policy. The recommendation becomes a motion for consideration at the next board meeting.

Rules of Order

Most commonly, decisions of the board occur through motions made at properly called board meetings. Only a board member can propose a board motion and it must be seconded by another board member to be accepted for board discussion. At the time a motion is made, its wording should be clarified to ensure there is no misunderstanding among board members about what is being stated. Some boards require that board members put their motions in writing, and that the written statement be passed to the recording secretary to be included in the minutes. Other boards do not require this action.

The meeting chairperson should allow the board member proposing the motion to begin and close discussion on the matter, and then give all other board members the opportunity to comment on the proposal before the board. When any board member feels the discussion has been sufficient and it's time for the board to decide on the matter, a board member will "call the question."

The chairperson will announce that the question has been called and ask which board members are in favour of the motion, and which are against it. The majority rules unless stated otherwise in the board's meeting bylaw. If

a majority of board members votes in favour of the motion it is said to have “passed”; if a majority vote against it, it is said to have been “defeated”.

Board members who do not wish to vote either for or against the motion, for whatever reasons, are said to abstain. One reason a board member may choose to abstain is a perceived personal conflict of interest in the matter under discussion. In this case the board member, in addition to abstaining from the vote, may also physically absent himself from the board discussion on the matter, and ask that his absence from the discussion and his abstention from the vote be recorded in the minutes.

A board member who, at any time during the meeting, feels that proper meeting procedures are not being followed may call a “point of order” which requires the board chairperson to listen immediately to the member’s concern and decide on its validity. If the board member is not satisfied, or if any other board members feel the chairperson has not made the right decision on the concern, the member may “challenge the chair”. In this situation, the board chairperson asks for a vote of the board members to determine if they support the chair’s decision, or do not support it.

There are many procedural problems that can arise in the conduct of a meeting. To assist the board with the conduct of its business, many boards use commonly accepted rules of order for their meetings. Two guidebooks often used by boards for the conduct of meetings are Robert’s Rules of Order and Bourinot’s Rules of Order.

The rules of order can become quite technical in their application, and many board members find it frustrating when their meetings get bogged down in what they perceive as bureaucratic rules of order. However, having commonly accepted rules of order ensures fairness in the manner in which board matters are discussed and decided, and they do help create a business-like atmosphere to board meetings.

Many boards ask that a condensed version of rules of order be prepared as a quick reference guide for board members.

Some boards desire more of a consensus approach to their meeting deliberations. Striving for consensus requires a more empathetic approach, critical listening skills, and a willingness to accommodate the interests of others. A

consensus model is an entirely legitimate approach to the conduct of meetings.

Other First Nations boards are creating meeting practices that reflect their First Nations traditions. Each board must work to find practices and procedures that meet their individual needs.

Key elements of effective meetings

A stated meeting purpose

It may seem self-evident to say that every meeting should have a stated purpose. In practice, this is not always the case. Sometimes meetings are held simply because someone decided it was time to have a meeting. Perhaps a board committee has not met for a while, and the committee chairperson is feeling guilty at not having scheduled a meeting. Another reason why meetings are held, regardless of the need for a meeting, is because of the perception that the schedule requires it.

Sometimes meetings are held simply because someone decided it was time to have a meeting.

For example, if a committee decides at the start of a year that it will meet on the first Monday of each month, committee members may find themselves meeting according to the schedule, even if there is no formal business to conduct. When this happens, instead of the meeting being cancelled, the chairperson may “create” an agenda to justify the meeting. The meeting may consist of a series of informational reports that could have been communicated in other ways.

Clarifying the purpose of the meeting also clarifies the need for the meeting. If you are unclear about the purpose of a meeting, ask. Do not allow others to waste your time.

Attendance of key people

Once the purpose of a meeting has been clarified, the next consideration is “Who should attend, and for what reasons?” People who are not required at the meeting should not be asked to attend.

It is not uncommon for boards or their executive directors, particularly in larger organizations, to invite staff members to attend board meetings, in case their advice or expertise is needed.

The executive director should determine if key personnel are needed at the meeting as resource people. Sometimes arrangements can be made to have staff members readily available, within the building or by telephone. They may have other things to do, or other work they could be finishing, and they will appreciate not having to physically attend at the meeting.

A published agenda

Whoever controls the agenda controls the meeting.

In many respects, whoever controls the agenda controls the meeting. Because the board owns the agenda, the board should create it and control it, and all board members should have equal opportunity for input into the agenda.

In preparing the agenda, the meeting's purpose should first be clarified. Board meetings should be about board business. Often board meetings are about the executive director's and the staff's business. The board should discipline itself in the preparation of board agendas to ensure that its meetings are about board matters and not about staff matters. Understanding the difference between board and staff matters is a key element to board effectiveness.

The executive director can be a help or a hindrance in this regard. An executive director with a proper understanding of governance can suggest what items are appropriate for the board agenda. Without this understanding, the executive director may actually contribute to the problem by requesting that administrative and staff matters be placed on the board meeting agenda.

Without a defined process to determine the content and format for the agenda, the agenda may be at the pleasure of the board chairperson. Typically, at a minimum, it is the board chairperson and the executive director who meet to prepare the agenda. The executive director can provide up-to-date information on matters, and can be of great assistance in helping the board determine what matters should be on the agenda and when.

Finalized agendas, along with background information, briefing papers and reports, should be distributed in sufficient time for board members to read and study agenda materials, and to be prepared for the board meeting. For some boards, a few days notice is sufficient for distribution of these materials.

Others may request a longer notification, perhaps up to a week or two in advance of the meeting. These are details for the board to define.

A big issue for many boards is “surprise” agenda items; topics that could have been put on the agenda, but which are withheld until just prior to the start of a meeting. Whatever the efforts of boards to create a fair agenda setting process, this can create many problems. At the start of the meeting, the board chairperson will ask for approval of the agenda. This is not the time to be adding items to the published agenda. Some boards deal with this by declaring that agendas are finalized as of a specific date and time, and requiring that a “notice of motion” be given for discussion of new topics at the next meeting.

Another issue is distribution of agendas. The more open the board, the more communicative it tends to be with information. Who besides board members and the executive director should get a copy of the agenda? The board should be clear in its direction in this regard.

*The more open the board,
the more communicative
it tends to be with
information.*

Meeting start and end times

Meetings should start and end at times as designated by the board in its meeting bylaw.

It is frustrating for board members who arrive on time for board meetings to find proceedings delayed because one or more members are late. Delaying the start of a meeting is also inconsiderate to staff and guests who may have been invited to the meeting.

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more members are late.*

Occasionally a board member may be unavoidably late and the board may be prepared to start the meeting a few minutes later than scheduled. This is understandable. It is not unusual, however, to find one or more members regularly arriving late for meetings. The board chairperson, and other board members, may be reluctant to start the meeting without all members present. They may feel information has to be repeated (a waste of time), or that absent board members will not have the benefit of information or board table discussion when it is time to vote on a matter.

Set the example by being on time for meetings. Request that the board discuss punctuality if tardiness is an ongoing problem.

Boards should also agree on their expected end-times for meetings. With a projected end-time known to everyone in advance of the start of the meeting, the board chairperson can help pace the meeting and help focus discussion. It also helps board members determine what should be the appropriate length for a typical meeting.

Board meetings should not be endurance contests. Meetings that drag on unnecessarily for hours undermine board effectiveness. Many non-profit boards meet in the evening because their members have other jobs during the daytime. People do not think well nor do they contribute their best thoughts and ideas when they are tired and exhausted. It is a basic consideration that meetings end at a reasonable hour, and not drag on until the wee hours of the morning.

Board meetings should not be endurance contests.

Frequency of board meetings

Boards that meet only a few times a year can be highly effective; others that meet weekly can be highly ineffective. Often board members feel guilty if they are not meeting, and prefer to meet more rather than less often.

Boards that are governance focused, that provide clear direction, and that put their time and effort into hiring the right executive director, find they need fewer, not more meetings. If your board regularly meets more than once a month, analyze the board's agendas to see if the board's need to meet is because it is focused on staff matters.

An effective board chair

A key ingredient for an effective board meeting is an effective chairperson. The effective board chairperson knows and follows established rules of order, treats board members and staff fairly and with respect, and allows sufficient discussion of topics to permit good board decisions. He paces the meeting to ensure that sufficient time is given for board discussion and debate. He also strives, with the co-operation of board members, to ensure that meetings end at their designated end times.

The effective chairperson ensures that each board member has the opportunity to speak on any matter before the board. Where all board members

wish to speak on an agenda topic, a time limit may have to be imposed on each speaker. Some boards have members who do not or will not comment at the meeting but then later, after the meeting is over, give their opinions about what should have happened. This often happens in the parking lot when two or more board members gather informally to speak their mind about the meeting's proceedings. One way for the chairperson to deal with quiet board members, or those who do not comment on a matter, is to call on each board member, in turn, to speak on the topic. Directors who choose not to comment cannot later say that they didn't have the opportunity to share their thoughts on the matter.

Focused discussion

Once the agenda has been adopted by the board at its meeting, board members should discipline themselves to ensure that their discussion and debate is properly focused to agenda topics.

Board members who feel passionately about certain issues may appear to start off on topic, but often quickly digress and take the discussion to what's really on their minds. If this is not caught and corrected by the chairperson, board members should call a point of order and request that discussion be brought back on topic.

Separate from the problem of board discussion that wanders off topic is the issue of board members repeating the discussion. The repetition may be an individual repeating oneself or it may be a board member basically repeating what another member has just said. Board members who do this often start their comments by saying, "Just as has been mentioned," or, "It's already been said but I want to emphasize...."

Striving for consensus

Many boards strive for consensus when making decisions. There are both advantages and disadvantages to this approach.

On the positive side, striving to reach consensus requires board members to truly listen to the debate and to try and understand and appreciate contrary positions contrary to their own. If taking a little longer with discussion pro-

duces a decision that all board members feel they can support, then the board should strive for this level of agreement.

However, some critics of the consensus approach claim that arriving at a decision that all board members feel comfortable with waters down what might have been the position of the board had the matter originally been put to a vote.

Board members must understand that the board speaks with only one voice. There is only one board position on any matter, whether it is arrived at by consensus, or by majority vote. Obviously, board members will feel better about a 7-0 vote on a matter than with a 4-3 vote. Regardless, once the decision is made, it makes no difference to the work of the executive director, who must respond to the wish of the board, however it arrives at its decisions.

Some people choose to strive for consensus wherever possible, but don't feel badly if a consensus position cannot be reached and the board has to decide a matter by majority vote.

Meeting minutes

There are many formats for recording meeting minutes, and a format that satisfies one board may not satisfy another.

The purpose of meeting minutes is to record the board's decisions and its direction regarding matters before the board.

The purpose of meeting minutes is to record the board's decisions and its direction regarding matters before the board. It is not to provide a transcription of the meeting, nor is it to record, or provide a summary of, the discussion and debate.

The board secretary's job is to record the board's decisions and direction in a format as approved by the board. Unless the board chairperson is clear in requesting that motions be made prior to discussion on a topic, board members may speak on a matter at length before any motion is made. When motions are made, they should be clearly stated and not left to the secretary to "clean up the wording" for the minutes.

Boards often direct that summaries of board discussion on each agenda topic and each motion be included in the minutes. Board members find

these useful when they need to refer back to the context of a previous discussion or decision. This can be unfair to the secretary. Discussion and debate on matters may be lengthy and intense, and it is difficult to be objective in preparing these summaries.

It may fall to the board chairperson or executive director to provide these summaries. Unless the recorder is very objective in recording what was said, the summaries can be the writer's version or interpretation, and can be subject to criticism.

Board minutes should be quickly typed, checked, and circulated to board members and the executive director. This is necessary to ensure that required follow-up action occurs, and that the direction of the board is properly understood.

Agreement on follow-up action

It is frustrating to have put time and energy into discussion and debate at a meeting, made decisions and agreed on courses of action, only to find that the direction of the board was not carried out as intended. This occurs where board direction is vague and unclear, and where the minutes do not specify who is to do what and by when.

An effective board chairperson will ensure that the motions made and directions given are clear, and that there is a common understanding among directors about what action is required, and by when, from the executive director.

Board members with concerns regarding board meeting follow-up should ask for a status report from the board chairperson or executive director, as appropriate.

Dealing with delegations

Boards may encounter situations where constituents or others request to attend a board meeting and speak to the board. This often occurs when the board makes, or is contemplating making, a decision that is perceived to negatively affect an individual or group.

If this possibility exists for your organization, the board should consider approving a policy specifying the process by which delegations will be heard at board meetings. The delegation should be asked to clarify its concerns and questions in writing, and submit them for inclusion in the agenda package. This is important. The group may not be clear about its concerns and what action it expects from the board, and requiring the delegation to put its concerns into writing helps the delegation become clear about what it is requesting.

The delegation should be asked to designate a leader to speak on behalf of the group. Because it has other important business to conduct, the board may specify that the delegation is limited to a specific time period, say ten minutes. Otherwise, emotions may run high, several people may speak out at one time making it difficult to understand the proceedings, different and contradictory comments may be made by delegation members, and their presentation and comments may stretch on during the meeting for an unreasonable length of time. Trying to shut down the discussion and cutting them off will only inflame their emotions.

Summary

Non-profit boards generally meet more often than is necessary to fulfil their governance responsibilities. This most often occurs when boards are focused more on the work of the executive director and staff than on the governance role of the board. Boards that meet more than once a month should re-examine their agenda topics to ensure that they are focused properly to the governance role of the board.

Board meetings should be conducted in a business-like manner according to rules of order as approved by the board. Where urgent matters require prompt board attention, the board may call special meetings. Board members should commit to starting and ending meetings at the times designated in their meeting bylaw.

Each board must define the rules of order for the conduct of its meetings. These help guide the board through arguments among board members, and through challenges by board members.



The Right Reflective Questions

Effective meeting strategies

1. Is proper notification given of the time, date and place of all board meetings?
2. Has the board approved rules of order for the conduct of its business, and are these rules of order understood and practised by all board members?
3. Are agendas published for all meetings?
4. Do board members have equal opportunity for input into the agenda?
5. Do agenda topics reflect the board's focus on its governance responsibilities?
6. Is meeting discussion and debate focused to the topic under board consideration?
7. Does the chairperson allow sufficient time for all board members to participate in board discussion and debate?
8. Are minutes of meetings finalized and distributed within a reasonable period of time following board meetings?
9. Does the board monitor board meeting follow-up to ensure that its decisions are actioned as intended?
10. Do meetings start and end on time?
11. Has the board defined a process for hearing delegations?



Indicators of Board Effectiveness

1. Board meeting, and board committee meeting, agendas are focused to board business, and toward governance topics.
2. Board meetings are conducted in a businesslike manner, according to rules of order as established by the board.



Effectiveness Exercise

Have the board and executive director meet to analyze the board agendas for the previous six board meetings. Does everyone agree that the topics relate to the governance role and responsibilities of the board? Are there management topics that should not have been included on the meeting agenda?

Chapter 13

Conducting a Board Self-Evaluation

Why conduct a board self-evaluation?

If board members expect their employees to undergo an evaluation of their job performance, and they usually do, it is reasonable to expect that board members will set the example.

Boards seldom have their effectiveness in governance evaluated. Their members comment that the board's evaluation comes at election time when their constituents either vote them in for another term, or vote them out. In this respect, boards and their members are often evaluated on the basis of constituent satisfaction. Their constituents are either satisfied with their performance, or they are not. Effective board governance is not necessarily the measure in this process.

Self-assessment should be an integral part of any evaluation process. A board that is willing to undergo an objective self-analysis of its governance role and responsibilities passes an important message to its constituents, and the staff. By demonstrating that it is willing to assess its own effectiveness, it increases its credibility.

What is evaluated and measured gets done. Viewed positively, the process of self-evaluation provides valuable feedback that can help improve organizational effectiveness and productivity. An effective board seeks an ongoing evaluation of its performance. It willingly participates in a self-assessment because its members desire to become the best they can be.

An effective board seeks an ongoing evaluation of its performance.



The Right Reflective Questions

Conducting a board self-evaluation

1. Does the board have a self-assessment process in place?
2. Is the board's self-assessment process directed toward the governance role and responsibilities of the board?



Indicators of Board Effectiveness

1. The board undertakes a self-assessment of its effectiveness.

CONDUCTING A BOARD SELF EVALUATION

Yes No

1. The board provides a comprehensive orientation for new board members.
2. The board encourages, supports and participates in ongoing training in governance.
3. Board members are knowledgeable and well informed regarding the organization's programs and services.
4. The board encourages and supports innovation and change.
5. The board's written mission statement clearly defines the organization's purpose, and is the foundation for board decision-making.
6. The board's written vision statement clearly describes the desired future for the organization.
7. A written statement of organizational values has been approved by the board.
8. The board annually approves organizational goals, consistent with its vision, which are regularly reviewed and discussed by the board and its executive director.

	Yes	No
9. Additionally, the board sets annual board goals that list areas for board focus and improvement.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10. The board's decisions and direction reflect a commitment to the organization's stated mission, vision and goals.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. The board commits to the concept of the board as a corporate body. The board speaks with one voice.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. Board members understand that they do not have any individual powers, and that they cannot make decisions, or take action individually, on behalf of the board.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. The board is proactive, versus reactive, in its approach to board governance.		
14. Board members respect diversity and the opinions of others.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15. The board subscribes to a board code of ethics that sets expectations for board member behaviour and conduct.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16. Board meetings are conducted in a business-like manner according to established rules of order.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17. Agenda topics for board and board committee meetings relate to governance, and not administrative issues.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18. The board receives information (e.g., agendas, minutes, reports, etc.) in a timely fashion.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19. Each board member is given the opportunity, and is encouraged, to express an opinion on any board matter under consideration.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20. Disagreement and divergent opinions of board members are encouraged, and are perceived as a healthy and necessary aspect of board discussion.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
21. Minutes of board meetings clearly state board decisions and direction, and are distributed in a timely fashion.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
22. The board expects follow-up to board decisions, and checks to ensure that such follow-up occurs.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
23. The board is willing to directly face tough issues and make tough decisions..	<input type="checkbox"/>	<input checked="" type="checkbox"/>
24. The board appoints the executive director as the organization's chief executive officer..	<input checked="" type="checkbox"/>	<input type="checkbox"/>
25. The board's actions demonstrate its trust, confidence and support for the executive director.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
26. The board has communicated its expectations for job performance, in writing, to the executive director.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
27. The board and the executive director meet regularly to review and discuss progress towards annually approved organizational goals.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
28. The board and its executive director work together as a team, and are perceived by staff and constituents to be effective in their respective roles.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
29. The decision-making authority of the executive director, clarifying which decisions can be made by the executive director, and which decisions are to be made by the board, is clearly defined and understood.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30. The board includes the executive director in all board meetings and discussions.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
31. The board receives detailed and comprehensive information, reports, and advice from the executive director, in a format easily understood by board members.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
32. For substantive issues, the board's communication with staff, and the staff's communication with the board, is through the executive director.	<input type="checkbox"/>	<input type="checkbox"/>
33. Board members do not direct staff activity, nor do they interfere in staff matters that are the jurisdiction of the executive director.	<input type="checkbox"/>	<input type="checkbox"/>
34. The board and executive director both acknowledge staff successes.	<input type="checkbox"/>	<input type="checkbox"/>
35. The board's policies are enabling, not restrictive.	<input type="checkbox"/>	<input type="checkbox"/>
36. The board's policies provide clear direction.	<input type="checkbox"/>	<input type="checkbox"/>
37. The board's committees serve governance and not administrative functions.	<input type="checkbox"/>	<input type="checkbox"/>
38. The board has clarified, in writing, the process and criteria for the development of the organization's annual budget.	<input type="checkbox"/>	<input type="checkbox"/>
39. The organization's budget supports and is directly linked to predefined, board-approved goals.	<input type="checkbox"/>	<input type="checkbox"/>
40. Board members are knowledgeable about, and understand, their organization's budget.	<input type="checkbox"/>	<input type="checkbox"/>
41. The board has a process in place for monitoring budget expenditures.	<input type="checkbox"/>	<input type="checkbox"/>
42. The board's focus is on measurable results, and not solely on the activities and efforts of staff.	<input type="checkbox"/>	<input type="checkbox"/>
43. The board supports the ongoing evaluation of the organization's programs, services and personnel.	<input type="checkbox"/>	<input type="checkbox"/>
44. The board has a communications program.	<input type="checkbox"/>	<input type="checkbox"/>
45. The board communicates information to its publics and constituents through a variety of methods.	<input type="checkbox"/>	<input type="checkbox"/>
46. The board seeks input from its constituents on important matters affecting the organization.	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
47. Constituents speak positively about the board, and the board's success in achieving desired results.	<input type="checkbox"/>	<input type="checkbox"/>
48. The board is perceived as a strong advocate for its constituents.	<input type="checkbox"/>	<input type="checkbox"/>
49. The individual contribution of each board member is welcomed, valued and appreciated.	<input type="checkbox"/>	<input type="checkbox"/>
50. The board's actions reflect its desire to bring out the best in itself and others.	<input type="checkbox"/>	<input type="checkbox"/>
51. The board conducts a board self-assessment with the goal of enhancing board effectiveness.	<input type="checkbox"/>	<input type="checkbox"/>

★ Effectiveness Exercise

Have board members individually complete the self-assessment checklist, then arrange for a compilation of responses. Arrange for a meeting of board members to discuss and debate their individual responses. How does the board perceive its effectiveness? Where is there disagreement in perception and why? What follow-up is the board prepared to undertake to improve its effectiveness? Have this written up as a board action plan.

ABOUT THE AUTHOR

Larry Thomas, a retired school superintendent, advises boards and conducts workshops on topics relating to board effectiveness, including:

- New board member orientation
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 - Focusing on results
 - Conducting effective meetings
 - Chair of the board
- Conducting a board self-evaluation

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