

» Module 4 - Board Processes

Board Processes

Your non-profit board might understand its role and be aware of its accountabilities, but without clear processes and practices for working together, little action towards its mission is likely to happen.

So how does a board go about getting its job done? What does a board in action look like? The specific operations of each non-profit board of directors will be unique to that organization. But there are several means by which boards commonly organize themselves to work together effectively:



- Bylaws - provide the rules and regulations that govern the board's operations
- Executive Officers - fulfill special leadership responsibilities on the board
- Committees - enable the board to use its time efficiently by taking on much of the "detail" work of the board
- Job Descriptions - clarify the expectations of all board members and committees
- Meetings - provide the forum in which the board deals with most of its business
- Decision-making processes - structure how the board arrives at its resolutions.

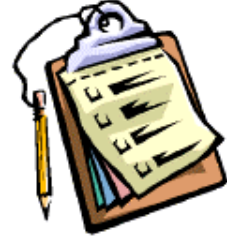
These and other elements of board operations can potentially contribute to your board's success in achieving its mission. To achieve their potential, these tools must be established, monitored and adjusted with your board's mission and goals as guideposts.

Start to look at the practices your board needs in order to work together effectively by examining bylaws.

Bylaws

What are bylaws?

Your non-profit board requires a set of rules and regulations - or bylaws - that govern its internal operations. Bylaws may also be referred to as the charter or constitution. The bylaws provide structure, organization and continuity to such matters as the definition of who is included in the organization's membership, the composition of the board and how board meetings will be run. When disagreements arise on your board regarding the ways it conducts its internal affairs, the bylaws should provide the solution.



What should the bylaws say?

Each non-profit has unique needs and circumstances and therefore has a distinctive set of bylaws. However, the subjects that comprise bylaws tend to be similar from one organization to the next. In fact, the provincial legislation governing the incorporation of societies or non-profit associations typically requires certain topics to be covered in all non-profits' bylaws. The ways in which these subjects are dealt with will differ in each organization, though, depending upon its needs.

Here are the subjects that are commonly addressed in a non-profit organization's bylaws. Have a look too at some of the questions the bylaws should answer.

- **Introductory Articles**
 - What is your organization's name?
 - What are its objects (or the mission or activities it pursues)?
 - What is the purpose of this document?
 - What are the definitions of the terms used in this document?
- **Membership**
 - Who are members of your organization?
 - How do they become members?
 - What are their membership rights?
 - How could they withdraw or be expelled from membership?
- **Meetings of the Membership**
 - What are the procedures for annual general meetings and other meetings of your organization's membership?
 - What constitutes a quorum at your meetings?
 - How is voting conducted at your membership's meetings?
 - How much notice is required for meetings?
- **Board of Directors or "Government"**
 - How is your board elected?
 - How many directors are to be elected?
 - What are the directors' terms of office?
 - What are the powers of your board and its directors?
 - How will board meetings be conducted?
 - How are vacancies filled?
 - How are resignations and expulsions handled?
- **Officers**
 - Who are the officers of the board?
 - How are they appointed?
 - What are their duties and their powers?
- **Committees**
 - What are the standing or permanent committees of your board?
 - What are the powers and responsibilities of the committees?
 - How are the committees formed?

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How are the committee meetings conducted?

Is there an Executive Committee, and if so, who is on this Committee?

- **Employees**

Can your board hire employees?

What are the bounds of your employees' authority?

- **Administrative and Financial Matters**

What insurance coverage must your organization maintain?

Who maintains and has charge of your organization's minute books, financial records and other records?

Who controls the use of your organization's corporate seal?

Who are your organization's signing authorities?

What is your organization's fiscal year?

How are auditors appointed?

What rules govern depositing and borrowing money?

- **Dissolution**

What is the procedure for winding down your organization?

What happens to your organization's assets upon dissolution?

- **Amendments**

What is the procedure for amending your organization's bylaws?

Note that your board should review the bylaws from time to time, and propose amendments that will allow the board to more effectively achieve the work of the organization. Amendments must typically be filed with the provincial office that deals with corporate affairs.

If you do not have a copy of your organization's bylaws, you should request one and keep it handy for quick reference. As a board member, it is important for you to be familiar with the bylaws because they outline the fundamental, enduring rules that guide the way your organization and your board conduct business.

To understand more about your board's operations, learn about executive officers.

Executive Officers

Your non-profit board likely has several directors, called executive officers or simply officers, who carry special responsibilities. While every non-profit organization must have some officers, the number of officers, their titles and their duties vary from one organization to another.



Here are some of the most common titles for non-profit executive officers. Check out the executive officers' roles too.

- **President or Chairperson**
Coordinates the work and the overall planning and direction of the board. This position chairs the meetings of the board and manages its decision-making processes. The president also manages the people on the board: it is the president's job to ensure the board fulfills its responsibilities, and to hold board members accountable. It is also the president's role to facilitate communication between the board and the Executive Director (if the organization has one).
- **Vice President or Vice Chairperson**
Assumes the responsibilities of the president in the president's absence. The vice president is learning the president's duties in preparation for a possible future term as president. This position should work closely with the president to support the president in his or her role. Chairing at least one standing committee is often part of the vice president's job. Sometimes an organization has more than one vice president, each being responsible for a particular area of the organization, such as finance or programs.
- **Past President or Past Chairperson**
Provides continuity to the organization through his or her recent experience as president. The past president also supports the president to learn and fulfill his or her role. Often the past president is involved in board recruitment, orientation and development, sometimes by chairing the nominating committee.
- **Secretary**
Prepares, maintains and distributes the board's records, such as the minutes, agendas, correspondence and contracts. If your organization has staff performing this function, then the secretary's role often becomes one of ensuring the required duties are carried out.
- **Treasurer**
Oversees the organization's finances. If your organization does not have staff performing the day-to-day financial record keeping, this becomes the treasurer's job. If your organization employs a bookkeeper or financial manager, then the treasurer's role is one of ensuring the overall financial accountability of the organization. The treasurer usually chairs the finance committee and oversees the annual audit. Often the secretary and treasurer roles are combined into one position.

Are you nominating fellow board members to the executive? Are you considering taking on an officer's position yourself? Remember, people should not be appointed to officer positions just because they are willing to do the job or because it is "their turn". Your board's officers are its leaders. They should be very familiar with the organization and its goals. They should have the skills, knowledge, interest, commitment and leadership qualities necessary to fulfill their roles as officers. They should be the best people for the job, not just the ones who are available.

Find out more about how your board conducts its business by exploring the work of committees.

Committees

The work of committees

Much of the work that your non-profit board accomplishes is likely carried out by its committees. In general, committees are used to deal with issues that are too complex and/or numerous for the entire board to manage. Have a look at some of the specific functions that your board's committees can serve:



- **Making recommendations to the board**
Often the committees do most of the detailed background work required to develop recommendations to the board. The full board may then further discuss the committees' advice and make decisions regarding these recommendations. This is usually a more efficient process than if the entire board was involved in researching, developing and debating all options.
- **Carrying out special tasks delegated by the board**
Some board operations do not require the involvement of the entire board, but must be done by board members nonetheless. Also, the board sometimes does not have the expertise required to do a particular task, and so it delegates the job to a committee that has the qualified members.
- **Fulfilling the organization's operational functions**
"Working boards" have responsibilities that go beyond policy creation: they are also expected to carry out much of the organization's day-to-day business. These operational tasks are often delegated to committees.
- **Grooming future board members**
By including non-board volunteers on committees, your board has the opportunity to orient potential board members to the organization and the work of the board.

With committees accomplishing these functions, the board is able to use its time most efficiently.

How do committees work?

Committee structures will vary from one charitable organization to the next, depending on the board's style of governance, as well as the nature and needs of the organization. Find out how several common types of committees work:

- **Standing committees**
These permanent committees are often defined in the organization's bylaws, and deal with the ongoing work of the board. For example, the finance, nominating and fundraising committees are often standing committees.
- **Ad hoc committees**
May be formed to work on particular issues that fall outside the responsibilities of the standing committees and are finite in nature. They are usually short-term and are formed as needs arise. For instance, an organization that wishes to purchase its own facility may form an ad hoc building committee.
- **Advisory committees**
Are often composed largely of people from outside the organization, to provide guidance and expertise regarding a particular issue, program or area. For example, an organization that operates a "satellite" program in a neighboring community will often have an advisory committee based in that community to help guide the satellite program.

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Committees are generally formed around a particular function of the board or organization. Non-profit boards often utilize some of the following committees:

- Executive Committee
- Nominating Committee
- Board Development Committee
- Audit Committee
- Finance Committee
- Fundraising Committee
- Personnel Committee
- Program Committee
- Public Relations Committee

The nature of the committees' work will vary depending upon the style of board governance. The responsibilities of the committees may be limited to developing policy recommendations in their areas of focus if your board is a policy board. However, if you have a working board, the committees likely have some hands-on responsibilities for day-to-day management and operations in their respective departments.

Making committees work

To work effectively, committees of the board need some structure and guidelines. Check out some hints for successful committees:

- **Terms of reference**
Terms of reference should be established for each committee, describing the scope of its responsibilities, the limits of its authority, the results it is expected to achieve, the reporting required, and other rules guiding the ways it works. Terms of reference should be reviewed regularly and revised when necessary.
- **Committee chair**
The chair is responsible for coordinating the work of the committee. This is typically a board member who has a thorough awareness of the organization and the role of the committee.
- **Membership**
As a board member, you should serve on at least one committee. Your membership on a committee should be based on the experience, skills, interests, and time you can offer. Before joining a committee, be sure you can make an earnest commitment to participate actively in its work. All board committees should have directors of the board among their members. However, many committees also benefit by including staff and community volunteers to bring specific expertise. Committee membership can also provide training for future board members.
- **Reporting**
Complete and accurate minutes of committee meetings should be kept. The committee should develop concise reports for the board when the board's action or decision is needed, when the committee is seeking the board's guidance on an issue, or when the board requires regular updating on the committee's progress.
- **Evaluations**
A committee should regularly evaluate its progress towards the desired outcomes identified in the terms of reference, and make any needed changes.

The committees' roles and objectives are more likely to be fulfilled if they are made explicit. The same can be said for the board as a whole, and all its individual members. Consider how explicit job descriptions can contribute to the effectiveness of your board's operations.

Job Descriptions

Your non-profit board is a team. A successful team is made up of individuals who each have particular roles to play, who each do their part to fulfill their individual roles, and who work collaboratively to achieve the collective goal. But how can you ensure that this happens on your board team? Job descriptions can help.



Job descriptions can be useful in a number of ways. Job descriptions for your board members can:

- Orient them to the individual roles and responsibilities of themselves and others
- Help them to understand how their individual jobs are related to the work of others
- Clarify expectations
- Encourage accountability by defining what outcomes must be achieved
- Promote efficiency by defining who does what.

Board members' specific job descriptions will vary from one organization to the next and from one board position to another. But every board member should have a written job description that in some way outlines information on:

- **Position**
Job title
- **Function**
The overall role, purpose or authority of the position
- **Requirements**
The expectations of the position (e.g. time requirements, meeting attendance, committee involvement, financial contribution, etc.), and any qualifications, skills, or knowledge or attributes required
- **Outcomes**
The specific results the position is accountable for, and whom the position is accountable to regarding these outcomes
- **Duties**
The specific activities and responsibilities of the position
- **Term**
The length of time to serve in the position
- **Evaluation**
The way in which performance will be determined
- **Benefits**
The rewards the person may receive in performing this job
- **Approval and Review Dates**
The dates that this job description was approved by the board, and that it is scheduled to be reviewed.

Do you have a board member job description? Take a look at it and get clear on what you need to do to work effectively with your board teammates.

It is useful to have job descriptions for board members generally, as well as for each of the executive officer positions, committee chairpeople and committee members. When everyone on your board knows what is expected of them, they will all be better equipped to pull together as a team and work effectively towards accomplishing your common goals.

Discover more about effective board practices by taking a look at the meetings of the board.

Meetings

Your non-profit board coordinates most of its work through meetings. As a board member, you will likely be involved in several types of meetings:



- **Annual General Meetings**
A.G.M.'s are held once a year for the organization's entire membership to consider financial statements and the auditor's report, and to appoint the auditor and elect board members for the next fiscal year. Often annual reports from the president, Executive Director and others are presented, and sometimes recognition of board members and others occurs as well.
- **Special General Meetings**
Special general meetings are held when there is an issue that must be dealt with by the entire membership, but cannot wait until the next annual general meeting. The organization's bylaws likely state how such a meeting should be called and conducted.
- **Regular Meetings of the Board**
Regular board meetings may happen monthly, semi-annually or as required. These meetings deal with the regular, ongoing business of the board.
- **Committee Meetings**
Committee meetings may happen according to regular schedules, or may be held only when the committees have business to address.
- **Board Retreats**
Board retreats are typically held for an entire day or weekend, and allow the board to step back from its regular business to consider bigger picture issues. Retreats are often held to do team building, planning or board training and development. Some boards schedule retreats annually as a way to ensure they spend time on these important matters.

You may now stop moaning and groaning ... all these meetings do not need to be long and boring. In fact, if your board follows these guidelines, your board meetings can be efficient and productive. Have a look at the following hints for effective meetings.

- **Preparation before the meeting:**
 - Before meeting, the chairperson of the meeting must clearly determine the purpose of the meeting as well as the results the meeting should achieve, in order to provide focus to discussions.
 - The chairperson should develop an agenda for distribution to meeting participants in advance of the meeting.
 - Background information, reports and the minutes of the last meeting should also be distributed in advance of the meeting.
 - Meeting participants should thoroughly review the agenda, minutes and background information that are distributed prior to the meeting, and come prepared with questions and ideas.
 - The chairperson should cancel or postpone the meeting if it seems there is no real work to do or no decisions to be made.
- **Chairperson's conduct during the meeting**
The meeting chairperson is responsible for directing the meeting. The chairperson should strive to:
 - Keep the meeting on time and on topic
 - Encourage contributions from all meeting participants and invite quiet members to speak.
 - Ensure that all relevant information is brought forward

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- Maintain order and resolve conflict
- Summarize discussion points
- Call for a decision to be made when needed
- Delegate responsibility for follow through on decisions.
- Schedule time for socializing and getting to know one another before or after the meeting
- **Meeting participants' conduct during the meeting**

Meeting participants should strive to:

 - Be on time and on topic
 - Avoid interrupting the meeting with cellular phones, pagers, and early departures
 - Actively participate in the meeting by listening attentively, keeping an open mind, and offering meaningful input
 - Encourage the participation of others, and respect their views
 - Maintain a positive, solution-focused approach
 - Volunteer to take on responsibility in areas that they can contribute.
- **Problem-solving and decision-making.**

Problem-solving and decision-making should follow agreed upon processes and procedures. For instance, your board might use "Robert's Rules of Order" and make decisions on a majority rules basis. Or maybe your board has a less formal approach and strives for consensus.
- **Minutes**

Keep clear and accurate minutes of the meeting. Minutes should:

 - summarize important discussion points
 - record all decisions that were made, and state how the decision was made (by consensus or by formal vote, including who made the motion, who seconded it, and whether the motion was carried or defeated)
 - document what follow-up steps are to be taken, by whom, by when, and to produce what results.
- **Follow through after the meeting:**
 - After meetings, the chairperson should provide constructive feedback to meeting participants when appropriate, regarding aspects of their participation that were either ineffective or helpful. The chair should periodically seek feedback on the effectiveness of the meeting. This could be done verbally or perhaps by a questionnaire. Between meetings, the chairperson should monitor progress on action items.
 - Meeting participants should also offer constructive feedback to one another and the chair to improve meeting processes and participants' involvement. In between meetings, participants should ensure they follow through on any responsibilities they committed to, and they should prepare to report on their progress at the next meeting.
 - Meeting minutes should be prepared and distributed as soon as possible after the meeting.

Are your board and committee meetings as effective as they could be? If not, try to cure the meeting malady.

Cure the Meeting Malady (exercise)

Non-profit boards and committees accomplish much of their work through meetings. A well-run meeting can facilitate effective decision-making, yet it seems that one of the most common board member complaints is that their meetings are less than effective.



Here are some common symptoms that non-profit board and committee meetings suffer. See if you can cure the meeting malady by entering the number of the most appropriate treatment in the box to the left of each ailment.

| MALADY | CURE |
|--|--|
| <input type="checkbox"/> You feel like your time is being wasted because there is not much important work on the agenda, and no decisions to be made. | 1 Ask the meeting chair to hold discussion to topic, and to provide feedback to the offender after the meeting. |
| <input type="checkbox"/> Your meetings are frustrating and are not producing positive results, but no one seems willing to say anything about it. | 2 Ask the chair to distribute and follow an agenda, with timelines assigned to each agenda item. |
| <input type="checkbox"/> Board meetings go on endlessly, with discussion wandering back and forth among topics. | 3 Plan some time before or after the meeting for mingling and getting to know one another. |
| <input type="checkbox"/> Repetitive discussion goes on at length, with no decisions being made. | 4 Suggest meeting less often, or canceling meetings when there is no business to be done. |
| <input type="checkbox"/> The same people always seem to do all the talking. | 5 Propose a motion or resolution, and request that the chair call for a vote or an indication of whether consensus exists. |
| <input type="checkbox"/> Board members provide lengthy verbal updates of all the activities and issues in their areas of responsibility, causing meetings to drag on. | 6 Distribute meeting minutes, documenting who is to do what, by when, and to produce what results, as soon as possible after the meeting. |
| <input type="checkbox"/> Board members' comments seem to indicate that they have not read the background reports in advance of the meetings. | 7 Directly ask the quieter members to share their views and ideas. |
| <input type="checkbox"/> You have one fellow board member who is constantly speaking at length about irrelevant matters. | 8 Suggest that participants provide feedback through meeting evaluation questionnaires. |
| <input type="checkbox"/> Board members are not following through on the actions delegated to them at the last meeting because they have forgotten or were unclear what was expected of them. | 9 Ensure that an interesting, succinct and relevant package of board materials is distributed at least one week in advance of the meeting. |
| <input type="checkbox"/> Board members are using the meeting time to talk about themselves and to socialize instead of getting down to business. | 10 Encourage board members to distribute written reports in advance of meetings, and to report only when updates are necessary or decisions on their issues are needed. |

Have you healed your meeting ills? If not, review Meetings for possible treatments. If so, move forward and learn about board decision-making.

Making Decisions

Much of the work of your non-profit board involves making decisions ... decisions about policies, decisions about strategies, decisions about goals, decisions, decisions, decisions. But unless your board has an effective decision-making process, it may find itself frustrated and immobilized. If your board is frequently tabling issues to the next meeting, referring matters back to committees, delegating the decision to staff, or blatantly avoiding decisions altogether, your board may need to examine its decision making process.



We all make decisions constantly throughout the day. But have you ever thought about what goes into making a decision? Have a look at some basic decision-making steps your board can follow.

1. Identify and define the problem to be addressed.
2. Research the problem. Brainstorm, seek input, have discussions, examine what is causing the problem. This work is often done by a committee.
3. Determine what outcome you want to achieve.
4. Generate several possible solutions to the problem, several ways of achieving your desired outcome. Analyze your options, weigh the pros and cons and make a recommendation. This step is often done by a committee.
5. Select an option. Determine whether to take the recommended action. In short, make a decision. This step is usually accomplished by the board as a whole.
6. Implement the decision. Communicate the decision to concerned parties. Make a plan for implementing the decision and monitor the plan as it is carried out. Planning and monitoring are usually the board's job ... implementation may be the work of staff.
7. Evaluate the decision. Determine whether the decision has solved the problem or not. If not, go back and do it over.

When it comes time to make a decision, your board will probably follow a particular procedure. If your board follows "Robert's Rules of Order" or some other parliamentary procedures, you can expect the decision making to look something like this:

1. The president or chairperson calls for a formal motion, or a board member proposes a formal motion. The person making the motion says, "I move that ..." and states the intention of the motion.
2. Once a board member makes the motion, the chairperson asks for the motion to be seconded. For a motion to be seconded, another board member must say, "I second the motion."
3. After a board member seconds the motion, the chairperson might repeat the motion, and will call for discussion on the motion. Sometimes an amendment to the motion arises out of the discussion.
4. When discussion is completed, the chairperson calls for a vote on the motion.
5. Board members in favor of the motion raise their hands when the chairperson asks, "All in favor?"; those opposed to the motion raise their hands when the chairperson asks, "All opposed?"; and those who abstain from voting raise their hands when the chairperson asks, "Are there any abstentions?"
6. After a count of hands, the chairperson declares whether the motion was carried (passed) or defeated. The organization's bylaws usually define when a motion is considered as having carried. Some organizations require a simple majority. Others may require that a minimum number or percentage, (such as 8 members or 70%), of the total board or the quorum agrees with the motion.

Boards do not always follow formal parliamentary procedures in making their decisions. Sometimes a board may work towards a consensus, particularly when the board is small,

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and/or when board members generally agree on the organization's values, goals, and ways of working together.

Regardless of the decision-making method your board uses, board members will work most effectively together and make the best decisions when everyone is treated respectfully and is given a chance to be heard.

Let's touch base with your classmates, Carlos and Debra, and find out about their boards' operations.

Touch Base with Carlos and Debra

What's happening with Carlos ...

The last time we talked, I was considering joining the Planning Committee. Well, I decided to go for it, and it's been a good training ground for me. Getting involved in a committee has really opened my eyes to the "bigger picture". I now have a basic sense of how the board and committees work, as well as the issues the organization is facing and where it is headed. I feel a lot more confident to take the next step and join the board.

There are just a few more things I was wondering about regarding board practices. So I don't look like a real greenhorn at my first board meetings, could you tell me whether my assumptions about board operations are accurate?

| Circle true or false to give Carlos the correct answer. | | |
|--|------|-------|
| (A) All board members should have job descriptions. | True | False |
| (B) As a board member, I am expected to sit on every committee. | True | False |
| (C) According to common parliamentary procedures, the President must propose a motion. | True | False |
| (D) My organization's bylaws should explain how I would be elected to the board and how long my term would be. | True | False |
| (E) Committees make the final decision on issues they have researched and debated. | True | False |
| (F) It is the Executive Director's role to set the board meeting agenda. | True | False |

Now, check on Debra and see how she's doing.

Touch Base with Carlos and Debra

Debra's news ...

When we last got together you confirmed my concerns that my board was not acting on some of its accountabilities. Well, I couldn't rest until I addressed this with the board. At our last meeting I distributed the report from the Panel on Accountability and Governance in the Voluntary Sector, and gave a brief presentation on our key tasks to ensure effective stewardship. To my surprise, it was actually well received! I guess I wasn't the only one who didn't know exactly what we were responsible for.

The next thing I knew, some board members were approaching me to be the next board president. I guess all these board development projects I've been doing lately have people thinking I've got what it takes to be a leader. I'm actually considering taking on the presidency, because I've also come to believe I can be a leader.

If I do become president, there are a few things about the way my board works that I would want to change right away. I would like your advice on which of the following solutions would be most effective.

My board is supposed to be a working board, but it's failing to look after some of it's own basic operations, like minute taking and financial record keeping. Our executive includes a president, vice president and secretary-treasurer, and even they aren't taking leadership on these things.

- (A) Amend your bylaws to create more executive positions, and write those operational duties into their job descriptions.
- (B) Have the Executive Director take responsibility for fulfilling these procedures of the board.
- (C) Hire additional ... staff to take on these duties.

Our committees aren't working well. Virtually all board members sit on all committees. As a result, most board members are tired of meetings, they're feeling burned out, and they don't attend many of the committee meetings.

- (A) Recruit people to your committees who are not currently sitting on the board.
- (B) Examine your committee structure to see if all the committees are really required.
- (C) Suggest a limit to the number of committees each board member sits on.
- (D) All of the above

My board often has polarized views on issues. There are a number of board members who tend to have pretty traditional ideas, there are several others whose perspectives are more liberal, and there are a few fence-sitters. We have been using a pure consensus model for our decision making process. Sometimes our meetings go on endlessly because it's difficult to find a solution everyone agrees to.

- (A) Table those items that you can't agree on to the next meeting, when everyone has had a chance to reconsider.
- (B) Recruit board members whose views are more consistent among each other.
- (C) After allowing everyone to feel heard and respected, use a "majority rules" or other decision-making process that does not require consensus.
- (D) Send issues you can't decide on back to committee for further study.

It's time to move on to the last module - Continuous Learning!