

Slide 1



Hello and welcome to this e-learning session on Board Roles and Responsibilities, brought to you by Columbia Basin Trust and presented by Vantage Point.

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Slide 3



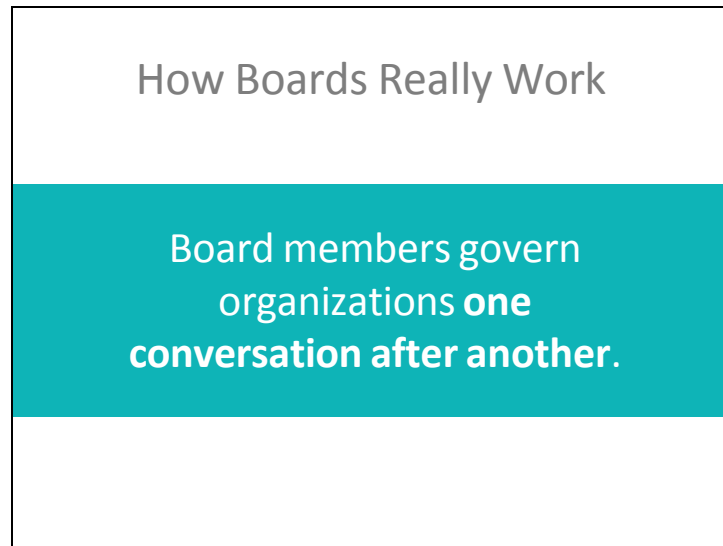
My name is Mark Friesen and I am the Consulting Manager at Vantage Point. Vantage Point is a not-for-profit organization that supports other not-for-profits by providing foundational, advanced and online learning opportunities. We work with more than 500 organizations and nearly 3000 not-for-profit leaders across BC.

Today, I'll be your e-learning facilitator, sharing some best practices and tools to strengthen your board.



In this e-learning, we will talk about what governance is – what does the term mean for not-for-profit organizations? What is the difference between governance and operations? And what can you do to become a great board member?

Let's get started!



Here's the number one thing to remember about great board governance: It's all about conversation!

Board members govern organizations one conversation after another - through board meetings, and through committee meetings. So, governing is really about creating the opportunity to have great, meaningful conversations around the board table.

But what should those conversations be like? What's most important for the board to focus on?



Let's explore this by looking at the difference between governance and management because this is where a lot of pain happens. Every organization has a set of functions required to keep it running smoothly. They can be categorized into three levels.

Regardless of the board model an organization works with – even in working boards, the governance function is the responsibility of the board. If an organization does not have the financial or human resources necessary to delegate the management and operational functions to, then the board may take on the next two 'layers' of work. Even if this happens, the board must pay attention so that the governance pieces do not get lost.

You may wonder if you are a governance or working board, but in our approach, even if you are on a board that classifies itself as a working board, you still have to set time aside to govern the organization. There are many ways that boards manage this, but it is not an easy task. It requires a very clear definition of roles and a commitment to engaging in governance planning and conversations.



Management is responsible for ensuring the direction set by the board is carried out. Management enforces policies, creates activities to carry out the strategic goals and reports back to the board on progress towards those goals.

Operations is the day-to-day implementation of the organization's programs and services.

All of this is carried out in service to the members or community - what benefits do they receive, and how do they contribute to the organization?

In a strong organization, there is healthy tension between governance and management. Everyone is clear on what their role is and there are often conversations about “should we be discussing this as a board?” Self-awareness and reflection is key.

Which Hat?
and when?



When you are at the **board table** you are acting as **board member** and you are **accountable to the Chair of the Board**. When you are in an **operational role**, you must take off your board member hat – you are now **accountable to a staff member** of the organization. Or if your organization doesn't have any paid staff, you still have to understand that you are no longer governing, you are now supporting the operations of the organization.

Always remember in your various roles, who are you accountable to?

So, how can boards be sure of when they are governing and when they are managing the organization?

This isn't just an issue for working boards, it's one of the biggest conflicts that arise for any board member - the grey line between operational roles and governance roles.

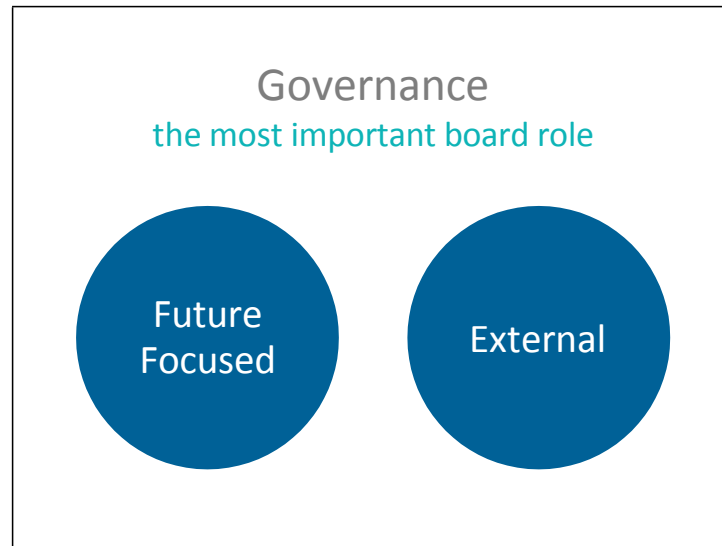
Many board members will take part in operational roles where they may be managing an event, coaching a staff member through an HR issue, or working on a fundraising campaign. When you are at the board table you are acting as a board member and you are accountable to the chair of the board. When you are in an operational role, you must take off your board member hat – you are now accountable to a staff member of the organization. Or if your organization doesn't have any paid staff, you still have to understand that you are no longer governing – you are now supporting the operations of the organization. Always remember in your various roles: who are you accountable to?

Creating GREAT
Board Conversations
begins with five great attitudes

1. **GOOD** intentions for the organization
2. **RESPECT** for others involved
3. **ENTHUSIASM** for the mission
4. **ABILITY** to work with others
5. **TRUST** that good things will happen

Another key to great board conversations has to do with attitude and approach. These five keys will help get you through even tough conversations at the board table:

- **GOOD** intentions for the organization
- **RESPECT** for others involved
- **ENTHUSIASM** for the mission
- **ABILITY** to work with others
- **TRUST** that good things will happen



Finally, the board should always keep in mind that their most important role is to be looking to the future and the external. Their role is charting a course, setting direction and developing policies and plans to guide the organization to its destination. The tool to do that? The organizational mission and vision.

If the board does not occupy that role, then no one does and it becomes impossible to stay on course. That's when organizations experience a drift away from the mission.

That's because governance is about setting a direction and maintaining guide posts (through policies and targets) for management to carry out the direction of the board.

The challenge is that boards have a tendency to drift into operations or micro-management and become very inward focused.

How can they avoid falling into that trap? One way is to keep your mission statement visible – print it out and put it on the wall in your board meeting room. It can be helpful to refer back to the mission statement during meetings if your board conversation feels like it's drifting.

FIVE THINGS you can do to become a GREAT board member

- 1. Be prepared:** Read board materials & come prepared to meetings for discussion.
- 2. Put on your governance hat:** When you're at the board table, figure out the questions that will keep you focused on the future.
- 3. Get budget knowledge:** Become familiar with the size of your annual budget and your top three budget expenditures.
- 4. Get people knowledge:** Get to know all the people who support the organization – staff, volunteers, and other board members.
- 5. Keep your priorities clear:** Put the organization first when you're considering issues and making decisions at the board table.

So how can you get on the right path to become a great board member? Focus on these five things!

1. Be prepared: This can include reading previous meeting minutes, and the agenda for the current meeting and background materials. Board members generally spend less than 25 hours per year around the board table, so focus your time on what's most important. Board meetings are not the time to read through materials – that should be done before the meeting begins.

2. Put on your governance hat: When you're at the board table, figure out the questions that will keep you focused on the future. It's easy to get bogged down in operational issues and lose focus of the important work a board does. If you feel like you're getting stuck in the details, it may be time to take a break, or to look at the mission and ask: Will this decision matter to us five years from now? If not, it's probably time to move on and focus on something more important.

3. Get budget knowledge: Become familiar with the size of your annual budget and your top three budget expenditures. To be a great board member, you don't need to know every line of the budget by heart. But it is important to have a good sense of where resources are focused. Which particular program, service or event gets most of the money and time dedicated to it?

4. Get people knowledge: Get to know all the people who support the organization – staff, volunteers, and other board members. It takes a strong team to make an organization strong. Getting to know who the team members are, and their roles in the organization can provide you

with extra insight into how the organization works, which means you can make more informed decisions around the board table.

5. Keep your priorities clear: Put the organization first when you're considering issues and making decisions at the board table. This is part of your role in providing oversight, which we'll talk about in a moment. Remember that as a board member for an organization, you are personally responsible and legally liable for all the decisions your board makes. So it's important to make sure you're always acting in the best interest of the organization.



Let's talk more about oversight. This is a term that comes up in board governance quite a bit. So what does it mean?

In every area of taking care of the organization, the board's role is to set direction and then provide oversight. So, oversight has to do with making sure the organization is doing what it says it's doing – creating alignment between the plans and decisions it makes and then ensuring that these plans and decisions are followed through.

So what does oversight look like? What questions would you ask around the board table if you want to provide good oversight?

When it comes to finances, oversight looks like asking questions like:

- What are the trends in our income sources?
- What major expenses are coming up?
- Is the reserve fund adequate?
- Is there over spending in key categories? Or, under spending in any areas?
- What changes to the economy should we be monitoring?
- Is the outside audit completed?

When it comes to operations, like programs and services, oversight looks like asking questions like:

- How are our program results?
- Have we followed through with our key priorities?

- Are we on track with our key goals?

When it comes to legal matters, oversight is a bit more specific and focuses on a few things:

- Are we maintaining our Duty of Loyalty? In other words, are we continuing to put the organization's interests above our own personal interests? Sometimes this can be tricky for boards if they have a personal connection to the mission or programs. For example, think about a volunteer gymnastics club. If you're a parent of a child in one of their programs, you may think that being on the board means looking out for your child's interests or the program that they take part in. However, the Duty of Loyalty means that you have to put the organization's interests first – even ahead of what might be best for an individual participant or program.
- Legal oversight also includes Duty of Care. This means that board members have to exercise care for the organization by ensuring it has the resources it requires to operate effectively.
- Board members also are responsible for maintaining the legal status of the society, and there can be some other Statutory Duties – such as attending meetings, ensuring that paperwork is filed, etc.

The last area of oversight has to do with people, and here, oversight looks like asking questions like:

- Do we have the required people resources to deliver the programs we plan for?
- Are we following employment standards?
- And, if you have a staff person, is your Executive Director (or general manager – whatever the role is that reports to the board) performing their duties as we expect?



At its heart, your role in creating great governance is simple: Understand the importance of ongoing board conversations; come prepared to contribute to those conversations; and embrace your role in providing oversight.

Join Us Again
info@thevantagepoint.ca

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The slide is enclosed in a black border. At the bottom, there is a horizontal bar composed of five colored segments: light blue, dark blue, teal, green, and light green. To the right of this bar is a blue square containing a white paper plane icon. A thin blue line with a dashed horizontal segment at the top and a vertical segment at the bottom connects the email address to the logo area.