

Just One of Tom Little's BIG Ideas



Duties of Non-Profit Boards

Boards are organizational stewards

Board Duties

Incorporation/By-Laws/Policies

- The Board knows how the organization is legally structured, including whether it is deemed to be a charity, understands the implications of this structure, and acts in accordance with them.
- The Board knows the organization's stated objects, and ensures the organization operates in conjunction with them.
- The Board is familiar with its by-laws, reviews them on a regular basis, adjusts them as needed, and operates in compliance with them.
- The Board enshrines how it will operate in a policy manual specifically for the Board, uses the manual continuously for guidance, and updates it on a regular basis.
- The Board exercises oversight of the Executive Director's responsibility for creating a policy manual specifically for employees that is used continuously for guidance, and is updated on a regular basis.

Organizational positioning (Why the agency exists, its vision of the future, the framework in which it will operate)

- The Board clearly defines why the agency exists (mission), its vision of the future, and its values.
- The Board promotes, acts in accordance with, and makes decisions that are compatible with, the organization's mission, vision, and values.

Operation of the Board (How the Board will conduct its affairs)

- The Board is the right size for maximum effectiveness;
- The Board has an effective process for recruiting and training new Directors, for ongoing professional development, and for advancing Directors through various roles up to the President;
- The composition of the Board is representative of its stakeholder groups and the broader community;
- The Directors embody the range of skills needed by the Board;
- The Board limits the involvement of individual Board members to a reasonable number of years;
- The Board adopts and uses a viable governance model;
- The Board has a clear, effective structure (e.g. Officers, committees, task forces);
- The Board has a clear, effective way of operating within that structure (especially related to meetings and decision-making);
- The Board limits its actions to those which are manageable and are critical to governing;
- The Board distributes its workload equitably and in accordance with the skills and experience of the members;
- The Board views the Executive Director as its one employee, and acts in accordance with this principle;

- The Board/Executive Director relationship is well defined and respected, and works effectively;
- The Board provides appropriate guidance and latitude to the Executive Director;
- The Board operates with integrity;
- The Board fosters an environment of teamwork, respect and cooperation between Directors and with the Executive Director;
- The Board provides feedback and positive reinforcement to each other and to the Executive Director;
- The Board acknowledges that disagreements may occur between Board members related to the fulfillment of the duties of the Board, and provides an open and constructive forum for addressing them in a timely fashion.

Planning, accountability and performance measurement

(Creating and using an organizational roadmap)

- The Board ensures that it and Management together have one strategic or long term plan to guide decision-making;
- The Board ensures that all stakeholder groups provide input into the strategic or long term plan;
- The Board has a yearly work plan to guide its day to day actions, and ensures the year plan reflects and advances the strategic or long term plan;
- Management provides the Board with a separate Management year plan and budget, outlining Management's goals and actions, which the Board approves prior to the beginning of the year (optional depending on Board governance style);
- The Board holds itself and Management accountable for implementing their year plans and for meeting the goals set out in the plans;
- The Board evaluates its own performance and that of management, based primarily on the extent to which both achieve the goals set out in their plans;
- The Board pays special attention to ensuring that the efforts and achievements of all stakeholders, especially staff and volunteers, are continuously acknowledged.

Quality of services

- The Board ensures the organization has a mechanism for addressing the issue of service quality;
- The Board ensures that the people who use the organization's services are consulted on a regular basis about the services they receive and about their level of satisfaction with those services.

Risk management

- The Board ensures that the exposure of consumers, staff, volunteers, agency property, the broader community and the Board itself to various kinds of risk is minimized, and major problems are prevented.

Legal and financial compliance

- The Board meets its responsibilities as set out by law and by contract (see list below);
- The Board ensures the financial viability and financial integrity of the organization.

Membership relations

- The Board fosters its relationship with the agency's membership.

Government relations

- The Board deals strategically with the organization's funders.

Optional

Partnerships/joint ventures

- The Board encourages partnerships and joint ventures;
- The Board works in co-operation with Boards of other service organizations.

Community relations and development

- The Board promotes and fosters the involvement and understanding of the broader community regarding the affairs of the organization.

Communication

- The Board pays special attention to communicating with all stakeholder groups.

Fundraising

- The Board promotes and fosters fundraising activities.

Compliance

Legal

- Income Tax Act (imposes personal liability on Directors)
- Employment Insurance Act (imposes personal liability on Directors)
- Canada Pension Plan (imposes personal liability on Directors)
- Excise Tax Act (imposes personal liability on Directors re HST)
- Anti-Terrorism legislation
- Corporations Act
- Employment Standards Act
- Retail Sales Tax Act
- Workplace Safety and Insurance Board Act
- Pensions Benefits Act
- OHIP
- Occupational Health and Safety Act
- Trustee Act
- Charities Accounting Act
- Human Rights Code
- Access to Information and Privacy Act
- Environmental Protection Act
- Related or unrelated business activity
- Political activities
- Foreign activity
- Child and Family Services Act (imposes personal liability on Directors)
- Services and Supports to Promote the Social Inclusion of Persons With Services and Supports to Promote the Social Inclusion of Persons with Developmental Disabilities Act, 2008 (imposes personal liability on Directors)

Contractual and Other

- Contracts (government funding, capital projects, facilities, equipment, vehicles, supplies, services, staffing)
- Wrongful dismissal
- Conflict of interest
- Serious occurrence reporting
- Reporting situations of possible abuse of adults (see above for children)
- Fundraising
- Bequests

Financial

- Budgeting
- Reporting
- Audit
- Expense reimbursement
- Non-arm's length transactions
- Third party contractors

Note: This checklist is our best attempt at identifying areas of compliance for non-profit organizations. To ensure complete and accurate knowledge, organizations should contact their legal advisors.

About Tom Little & His Big Ideas

Tom Little started out as small as his name. Even smaller maybe.

Over time though, Tom Little got big. Six foot four. Two hundred and fifteen pounds ... maybe two twenty ...two twenty-five absolute tops, but only when his love of butter and orange juice starts creeping towards addiction.

So when Tom Little has an idea, it's automatically a BIG idea. But that's not the only reason.

Tom has spent his career working for, and with, non-profit organizations. That exposure, first as an executive director and then as a purveyor of non-profit knowledge (you might use the term "consultant"), has given him many insights into how these strange and wonderful creations operate.

Along the way his colleague Nancy Mouldsdale joined the fray, bringing acuity and youthful enthusiasm to complement Tom's years (Nancy describes them as many, many years) of experience.

Tom Little's BIG Ideas are intended to help you make your non-profit better. Primarily focused on management and Boards, they appeal to anyone involved in the non-profit sector.

You get full access to Tom's BIG Ideas when you call on him for assistance in planning, evaluation, research and training.

Non-profit organizations are built on ideas. The better the ideas, the better the organization. Tom provides you with the best ideas available!

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