

Tom Little's

BIG IDEAS

for Non-Profits

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The Return (Kinda) of Doctor Tom

We conducted a survey. You said you wanted Doctor Tom back. Well, here is what has happened since.

Despite all admonitions from his many Canadian followers, the reclusive Doctor Tom, sagacious savant to Canadian non-profits, remains cloistered on his uber-luxurious and oh-so-private Caribbean island, purchased at obscene cost from a celebrity who can't be named but whose name starts with Rih....

Ever resourceful in overcoming such barriers, your BIG Ideas newsletter dispatched operatives to surreptitiously plant microphones throughout his retreat, meaning you can still take advantage of his wisdom, although at a distance, as is appropriate in our current circumstances. Here is the transcript of a newly-received audio recording, between Doctor Tom and his esteemed colleague, Nancy LC.

Nancy LC (knocking on a door): "Doctor Tom!"

Sound of snoring coming through door.



Nancy LC (knocking on the door again, harder): "Doctor Tom!"

Doctor Tom, stirring: "What is it? Can't you see I'm working."

Nancy LC: "Doctor Tom, that's your bedroom and you were sleeping".

Doctor Tom: "Your lack of insight is superseded only by your insouciance. Work can take many forms. What is so important that you are interrupting my research at this critical stage?"

Nancy LC: "Doctor Tom, you have a letter from a non-profit Board member."

Doctor Tom: "Another letter? There are so many. I can't be spending all my time solving other people's non-profit problems. Tell whoever it is to take their conundrum, although charitable, to some lesser font of knowledge."

Nancy LC: "Doctor Tom, you are THE sage, although lacking in formal credentials, to Canada's non-profits. They only want you. Besides, this is the first letter you've received in weeks."

Dr. Tom: "My mind is totally focused on my latest theory. You look after it."

Nancy LC rolls her eyes, leaves and returns a short time later.

Nancy LC, knocking once again: "Doctor Tom: I have constructed a response to your Board member."

Dr. Tom: "Let's hear it, Grasshopper. Read it to me through the door."

Nancy LC:

Dear Board member;

Many thanks for your letter. If I understand your issue, it is that when you joined your non-profit Board, you weren't told it would involve fundraising, and the last thing you want to be doing is fundraising. Your question is what you should do next.

Well, Board member, you may take some solace in knowing you are not alone. Doctor Tom has worked with many non-profit Board members that had the same issue. The source of the problem, of course, is that when Boards recruit, they don't necessarily tell the whole truth about what will be involved. They fear that if they provide a full description, they will be even more challenged in finding willing candidates.

This is water under the bridge for you. So, what to do now? Assuming you don't want to throw yourself into the maelstrom and learn the art of fundraising, you have a couple of options. One is to encourage your Board members to establish a fundraising committee. That committee can recruit

members who aren't on the Board. It may surprise you to know that there are people in your community who actually like fundraising. Moreover, they probably don't want to sit on a Board, but they will give you their time to root out money for a good cause.

If you want to go big, form a separate charitable corporation and fill the Board spots with the same kind of people who would sit on a fundraising committee. But a caution if you take this route: ensure the mandate of the new corporation is limited to raising money for the founding organization and that the Board of the new one is filled with members selected by it. This will ensure the fundraising organization doesn't go rogue at some point in the future.

I hope this helps. Feel free to contact me any time.

Yours in community service,

Doctor Tom

Doctor Tom: "Overall, just as I would have written. In fact, for publication and royalty purposes, I did write it. But the ending: can you ease off with the 'contact me any time' bit? Instead make it: 'But don't think of contacting me again!'"

Nancy LC: "Let's just pretend they should feel free, shall we? This is your audience we are talking about... Your paying customers... The ones making it possible for you to live in such opulence.

Doctor Tom replies with something indistinguishable.

Nancy LC ignores him and continues: "I will send the letter out on the next plane, the one bringing in Meghan and Harry for a bit of respite from their paparazzi world."

Doctor Tom: "Meghan and Harry! Meghan and Harry! Canadians-for-twenty-four-hours Meghan and Harry! That Meghan and Harry?"

Nancy LC: "The very same."

Doctor Tom: "They better not try to stiff me for the security bill."

Fade to black to the sound of snoring once again filtering through the door, while Nancy LC is heard to mutter: "And don't call me Grasshopper, DOC-TOR".



Emails... We Get Emails



More Dispatches from the COVID Trenches

Dealing with COVID 19 is a huge challenge for Canadian non-profits, in particular those that offer residential services. Here is a sampling of what people involved with those organizations are emailing about their challenges:

"We are still spending like crazy on PPE. We just placed another \$150,000 order. Our total cost for PPE is now \$500,000. I had placed \$1 million in PO's to carry us over the 2020/2021 fiscal year. It may not be enough if we keep this spending pattern going....Getting supplies has been a 24/7 job for all of us. We started mid-March in earnest. Yes, we were ahead of the curve... No rock was left unturned...I was the debunker of the fly-by nights... show me the product before (I show you) the money..." The email then went on to acknowledge all the staff who contributed in different ways to obtaining and distributing the PPEs, to keeping inventory records and to paying for them.

"All is well. Many of the people supported here have complex health issues so we are working hard to keep COVID out. Lots of new enhanced infection control policies. So far so good - no COVID. It's been a chore to get PPE, but we think we have enough for now."

"We are hanging in there but dealing with outbreaks in two locations. Everyone is still doing ok, no need for hospitalization."

"We had a resident test positive in a 5-person group home and she wound up in hospital. No other residents tested positive, but several staff did. So far there has been no spread in that house. We are holding strong in other programs. Let me tell ya it has been quite a ride!"

Those working in other parts of the human service field are finding it easier sledding:

"We are still "open" providing services remotely since mid-March. Not sure how long we will be out for, but I don't mind working from home at all. Of course, employers aren't really hiring and people don't really want to work during all of this, so it has been a good time for me to catch up on some training and get my files in order."

This Week's TomBit

Ideas for Organizing a Virtual AGM

Many Ontario non-profits hold annual general meetings in the spring and summer of the year. Now, they are pondering what to do in the time of COVID.

One option appears to be to hold it electronically. Following are tips provided by the Harvard Law School Forum.



Adopt these principles:

- Member participation should be valued and encouraged. Therefore, the format should facilitate the opportunity for remote attendees to participate in the meeting to the same degree as they would be able to if they were attending in-person.
- Opportunities for meaningful engagement between members and the Board of Directors should be provided.
- The Board should communicate the benefits of a virtual meeting to the members in advance and explain how they can participate meaningfully.
- Virtual meetings should facilitate the same meaningful, open dialogue between members and the Board as would be possible at an in-person meeting.

Utilize these best practices:

- Clearly explain in advance the meeting format and how to participate.
- Consider limiting the meeting to consideration of routine or noncontroversial proposals, such as the uncontested election of directors and the ratification of auditors. Unless they absolutely can't wait, more important or potentially controversial items would be better addressed when in-person meetings can again be held.
- Evaluate the available technology and whether it will work for the membership base. (For example, cottage associations will be hard pressed to engage their members during the summer months since many members either do not have Internet at the cottage or their service is not robust enough to allow for streaming a meeting.)
- Ensure everyone will be able to access the meeting using the technology. Allow members to test the technology beforehand to ensure it will work for them, including that they will be able to provide input and ask questions remotely.
- Create formal rules of conduct and make them available before the meeting. Rules should allow sufficient opportunities for members to ask questions and make brief comments while being respectful of the time of all meeting participants. They should also promote both the reality and the perception of fairness during voting and question and answer period.
- Allow members to submit questions in advance as well as during the meeting.
- Establish reasonable time guidelines, such as two-minute limits for general questions or comments.
- Establish rules for when questions are out of order, for example if they are about personal concerns not shared by members generally or include offensive language.
- Establish rules to promote transparency and avoid the appearance of manipulation. Explain those rules in advance.
- Ensure members have virtual access to board members once the formal part of the meeting is over.

- Have a technical support line available. Provide a technical support line for members who may have questions about accessing the online meeting.
- After the meeting, post the questions asked by the members and the answers given by the directors to the organization's website.

I would add that you should check your quorum requirements in your bylaw. Some non-profits have a very low threshold for AGM attendance, but some are not so easy to meet. This could factor into your decision about holding it online.

Blast From The Past

Blast from the Past is a selection of previous BIG Ideas articles that you may not have read, or if you did, may have forgotten how helpful and insightful (i.e. brilliantly written) they were...

This was written in 2012 about controversy surrounding Ontario's air ambulance service, Ornge.



Orange Represents the Sin of Gluttony

The Story

Orange represents the sin of gluttony. At least so says Wikipedia, and if Wikipedia says it, it must be true. Which makes the choice of name and colour by Ontario's medical transport company particularly fitting, even if it did drop the "a".

The tale of Ornge begins with a Grinch named Kevin Donovan of the Toronto Star. Just before Christmas, Donovan, unfull of the Christmas spirit as only a crusading, newspaper selling, investigative reporter can be, wrote about Ornge. He focused on his inability to get information about its operation, including the salaries of key personnel.

Donovan noted that Ornge was not reporting the compensation of its President and other senior managers to the Ministry of Finance, as required of non-profits receiving government funding, and that enquiries about those salaries were not being answered. Soon after, he revealed that the President was earning \$1.4 million. This was only the first of many revelations, including that Ornge had created a for-profit entity called Ornge Global, whose operation was interwoven with that of the non-profit Ornge. The President and some Board members were reported to own the for-profit side.

Immediately, the politicians at Queens Park took notice, and then action. Which is interesting, because apparently the opposition Conservatives had been asking questions about Ornge for a while. Further, they had been briefed on Ornge's for-profit plans a year prior. There is nothing like media exposure to spur ministries to action, although the government does a DAK (deny all knowledge) at that suggestion.

As of the end of January, less than two months after the Grinch first stole Ornge's Christmas, here is the tally:

- The President and one of the Vice-Presidents have taken indefinite medical leave.
- Another senior manager has left.
- Provincial auditors are reviewing its books.
- A government-appointed manager has taken over running the whole operation.
- A number of staff involved with the for-profit division of Ornge have been terminated.
- The Board of Directors has resigned and been replaced.
- The for-profit division will be closed, as will Ornge's foundation.
- Questions have been raised about the quality of its services and the functionality of its helicopter fleet.

The Skinny

Many lessons jump to the forefront when we take a closer look at Ornge.

Salaries of government-funded non-profits should bear some resemblance to the responsibilities of the position relative to those of other non-profit CEOs. How do you possibly come up with a figure of \$1.4 million for Ornge (assuming that is correct), when the highest paid hospital executive in Ontario, with ten times the financial responsibility at \$1.5 billion, makes half as much? Ornge maintained that its President was not employed by the non-profit Ornge, but by the for-profit spinoff. This kind of explanation definitely has an odour about it.

Second, and more important, non-profits should not create for-profit spinoffs. Let's be clear: There is nothing wrong with establishing businesses to support the work of a non-profit organization. There is a lot of interest in the concept, including from funders, as noted earlier in this newsletter. In fact, the new Ontario not-for-profit corporations act enshrines the concept in its provisions. But there is a condition: "If any of the purposes of a corporation are of a commercial nature, the articles must state that the commercial purpose is intended only to advance or support one or more of the non-profit purposes of the corporation". The key words here are "only to advance or support one or more of the non-profit purposes of the corporation".

Even under the current Ontario corporations legislation, Ornge could have pursued commercial interests using its existing non-profit umbrella. As an alternative, it could have created a separate non-profit legal entity for that purpose. The problem is that it created one or more for-profit corporations and appears to have used the non-profit Ornge as a platform to advance the for-profit side. The situation was exacerbated by the revelation that ownership of the for-profit companies appears to have been held by the President and some Board members. This is where Ornge definitely goes off the flight plan.

The creation of the for-profit ventures also has the appearance of providing the rationale and vehicle for paying high salaries and keeping them out of the public eye. How can you have a President of a \$150 million non-profit and not pay that person a salary out of the non-profit's coffers?

Third, when spending on salaries comes into question, scrutiny of the organization's services is sure to follow close behind. Any suggestion they aren't up to standard will be blamed on the amount being paid in compensation to senior employees.

Fourth, when the media is on your case, you must respond by getting out in front of the story. The Ornge Board and management were made to look like they were hiding information, action which only fuels the zeal of the Grinches (sorry, the Donovans) of our world.

Fifth, as an Executive Director, your health may be adversely affected if you become a target of the media. The Ornge President, reportedly now on medical leave, is the second person whose health has been adversely affected recently by Kevin Donovan's reporting. The other is the CEO of the Oshawa Hospital Foundation, whose story we reported on in the fall. So, my advice is to keep your organization above the fray. You can do this by imagining that the Grinch, Kevin Donovan, is sitting on your shoulder, evaluating every decision you make and ready to report it if he thinks it doesn't pass the sniff test. This will help you live better, and last longer in your job.

Finally, and most critical, be attentive to both mandate and ethical drift. It appears Ornge management and the Board lost sight of two things. First, their money was provided by the province and with it came an implicit obligation to act prudently, and in the best interests of the organization and the citizens of Ontario. Second, any business activity Ornge entered into should have supported and advanced the work of Ornge, not benefit either the management group or members of the Board.

Here's what all you Executive Directors out there need to remember: When you are mixing the Kool-Aid to serve at your next strategic planning session, don't use the Ornge recipe. It could be harmful to your health and your vocation. And Board members, whatever your Executive Director is serving, you need to ask: Is this Ornge Kool-Aid you are serving? Because if it is, you will be better off with bottled water, even if it came out of the tap.

2020 Update

Two years ago, the Toronto Star reported the following:

"The Ontario Provincial Police has 'insufficient evidence' to lay charges in the ORNGE air ambulance scandal, following a six-year investigative probe of kickbacks....'The lack of accountability and transparency in the (ORNGE) business records, the variance in perspectives and the lack of cooperation of key persons involved collectively has prevented an evidence-based finding from being made', the force says in a detailed investigative summary."

Current CMCS Clients

We are pleased to be working with Durham Youth Services, York Region Centre for Community Safety, Community Living Owen Sound, WES (Wellness and Emotional Support for Youth Online) that is headquartered in Walkerton, Community Living York South, Community Living Thunder Bay, Haliburton Housing, Tri-County Community Support Services, Literacy Network Northeast and Community Living Port Colborne-Wainfleet. Recent clients include Big Brothers Big Sisters of Clarington and United Way Haldimand & Norfolk.

Testimonials

Thank you again to you and Nancy for all the work, dedication and effort put into this Operations Review. We made the right choice in hiring you to do this project and on behalf of the board of directors, I express our deep gratitude.

Roz Werner-Arce, Board Chair, Durham Youth Services

Our Strategic Plan is moving along better than I could have imagined. I chair the group of around 20 Board and staff who have been meeting monthly for the past 6 months and plan to continue through the fall. Great enthusiasm from all involved and much is being accomplished already, particularly on renewed focus on our Mission and Vision. Thanks again for getting us off on the right foot!

Frank Moore, Board Chair, Community Living Central Huron

About Tom Little and Nancy Collins



Tom Little and Nancy Collins are the principals of CMCS.

Tom has been Executive Director of a large human service organization. In his mind this makes him something of an expert. Humour him – he's been known to adjust his fees for people who think he is just so profound.

Nancy's background includes a degree from Wilfrid Laurier and working at a downtown Toronto law firm. In her spare time, she plays goal in women's hockey and catcher in summer slo-pitch. A life-long Leafs fan, she no longer apologizes for her unwavering commitment, given their resurrection in recent years. Now if they could just win a playoff round!



Free Resources From CMCS

We offer a range of free resources to help non-profits be better. For your copy, contact us at info@cmcsconsulting.ca.

Board Duties
Policy Board Model
Board Meeting Minutes
Board Decision-Making Checklist
Board Evaluation Form
Dealing with Risk
List of Possible Board Policies
Board Recruitment (Stop the BIG LIE)
Management Principles
Member and Director Qualifications
The Importance of Planning
Canada's Great Non-Profit Websites

Tom's Book For Boards of Directors



One hundred and ninety-pages. Thirty-six *BIG Ideas*. Thirteen of them are *The BIGGEST of the BIG*, ideas Tom's experience says are critical to any non-profit. Then come twenty-three *BIG Ideas*, more ways to enhance the governance of your organization.

You don't just get ideas either. The book contains all kinds of resources for implementing them. For example, *BIG Ideas* includes samples of strategic and Board yearly action plans, and of evaluation formats Boards can use to rate their own work.

Tom Little's BIG Ideas is formatted as a work book, so it can be used on a continuous basis by the Directors. It is easy to read and has a fun quality your Board members will appreciate.

Just \$40 plus HST and shipping. For your copy, contact us at info@cmcsconsulting.ca.

More About CMCS

At CMCS, our specialty is strategic planning. Since the start of 2018, the following 13 organizations have completed their strategic plans with help from CMCS:



Kenora Association for Community Living
 Community Living Dryden-Sioux Lookout
 Community Living Trent Highlands
 Elmira District Community Living
 Literacy Northwest
 Durham Region Child Care Forum
 Tollendale Village
 Centennial College School of Transportation
 York Region Violence Against Women Coordinating Committee
 Autism Home Base Durham
 Canoe FM Community Radio
 Toronto Island Residential Community Trust
 York Region Centre for Community Safety

We provide Board training with a bonus: A Board action plan developed by participants based on the discussion. Tom wrote his book for non-profit Boards, which you can buy and use as an ongoing resource. We are great facilitators and can help develop agendas for Board and management retreats.

Much of our past work has been in the human service sector, especially disability. But we have assisted in other sectors such as community colleges, local workforce authorities, family health teams, Big Brothers Big Sisters and United Ways.

We have built our reputation on producing quality products that have great content and are appealing to look at. We meet deadlines as established at the outset and provide value for the fees paid