



## Chapter 3

### THE BOARD'S ROLE

## Develop an Organizational Structure

### a) STRUCTURE

Allocate responsibilities among the Board, committees, staff (if you have staff) and volunteers to establish a well-organized corporate structure.

Your Board of Directors develops goals and plans for the organization, and is accountable for all legal and financial activities. In smaller organizations and some housing co-ops, the directors may also handle most of the operations, delegating the management of daily activities to individual members and possibly to committees, sometimes with the assistance of a part-time administrator.

In some larger organizations, directors make policy decisions to govern and guide management activities, and may delegate day-to-day operations – including supervision of staff and volunteers – to an executive director, administrator, manager or property management company.

If you have volunteers helping paid staff, your manager will be responsible for overseeing their work. If the organization relies on volunteers and has no paid staff, a director or a committee will be responsible. Some Boards establish committees to work on specific areas of responsibility. For example, here are some committee structures you could use to delegate specific tasks:

- Policy Committee
- Education Committee
- Financial Committee
- Executive Committee
- Fundraising Committee
- Maintenance/Landscaping Committee
- Staff Development Committee
- Board Recruitment/Nominations Committee
- Community Development Committee
- Construction Committee
- Public Relations/Newsletter Committee
- Tenant/Member Selection Committee
- Social Committee



Tasks can be divided among the committees, enabling the organization to accomplish more than the Board could on its own. Smaller organizations may prefer to combine some responsibilities into fewer committees. For example, fundraising and public relations could be combined into a Communications Committee. Executive, financial and policy responsibilities could be combined into one committee. Or a small Board may not set up formal committees and work as a 'committee of the whole' outside of regular Board meetings to handle management responsibilities.

Committee members conduct research, generate ideas, and recommend policy options and actions to the Board, which reviews the material and decides whether to support a recommendation or refer it back to a committee with direction for additional research.

Directors, staff, residents, co-op members and volunteers can participate on committees, and offer individual talents and knowledge. Establish terms of reference to define the:

- Functions and responsibilities of each committee.
- Method for selecting a Chair to facilitate meetings.
- Term of office for committee members.
- Schedule and location of meetings.
- Procedural rules. (For example, will decisions be made by consensus or majority vote? Refer to page 26 for information on both methods.)

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Contact the BC Non-Profit Housing Association at 604-527-8859 or 1-800-494-8859, or the Co-operative Housing Federation of BC at 604-879-5111 or 1-866-879-5111, to obtain examples of committee terms of reference from other organizations.

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## **b) BOARD RESPONSIBILITIES**

Volunteering as a director is a major responsibility. Board members need time, energy and skills to perform the five major functions of a Board of Directors: decision-making, advisory, trustee, sustainability and leadership responsibilities.

### **Decision-Making Function**

Your society or co-op members have delegated power to the Board to manage the organization. As a result, your directors are responsible for:

- Making decisions to guide the welfare and operation of the organization.
- Delegating daily management activities to staff and/or volunteers.

Co-op members elect a Board of Directors from among themselves to manage the business of the co-op. All members participate in running the co-op.



### **Advisory Function**

The Board acts as an advisor to your society or co-op members and staff to ensure people know about:

- Changes in rules or laws that govern your operations.
- Problems that affect the organization and possible solutions to those problems.
- How the organization is structured and how to participate.
- Why policies and recommendations are adopted.

### **Trustee Function**

As trustee, the Board of Directors is entrusted with responsibility for:

- Representing the organization in all legal areas.
- Ensuring the organization meets its legal obligations and does not exceed its legal authority. (It's important to be aware of changes to the legislation governing your organization.)
- Ensuring bylaws or rules are enforced or amended as required.
- Ensuring effective financial management.
- Evaluating staff and committee performance.

### **Sustainability Function**

The Board is responsible for the continuity and stability of the organization, which is achieved by:

- Providing society or co-op members with current information.
- Conducting long range planning and forecasting.
- Developing and implementing an evaluation system members can use to provide feedback.
- Hiring and supporting competent staff.
- Setting up education programs to develop and train a pool of potential Board committee members, volunteers and staff.
- Establishing election procedures to guide members in selecting energetic, qualified, effective directors.
- Establishing appropriate limits to terms served on the Board.



### **Leadership Function**

The Board of Directors symbolizes the leadership of the organization to members, staff, residents and the public. As leader, the Board directs and guides people to achieve organizational goals by:

- Creating an environment of respect for people's opinions.
- Providing recognition for individual abilities and contributions to the team.
- Achieving goals through reason and discussion rather than domination or manipulation.
- Acting as a role model for other members.

Directors' responsibilities vary among organizations to meet the needs of each group. Your bylaws or rules may specify particular requirements for your directors. Some general guidelines you can use to outline directors' responsibilities include:

- Attending and participating in all Board meetings and on various Board committees.
- Reading minutes and reports and being familiar with the organization's operations and activities.
- Knowing current housing legislation and policies.
- Acting in the best interests of the organization.
- Respecting confidentiality on issues related to residents, personnel and real estate negotiations.
- Performing specific tasks as required.
- Declaring conflict of interest, when applicable.

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A sample list of officers' responsibilities is included on page 75 in the appendix as a guide.

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## **Set Policies and Procedures to Guide the Organization**

### **a) POLICIES**

Developing policies is an essential task because policies:

- State the general course of action planned for the organization.
- Create guidelines to put your mission and values into practice.
- Provide the framework for making decisions.
- Give your staff and committees direction on setting procedures.
- Ensure continuity for residents as Board members change over time.



Society Boards are responsible for developing policies. Co-op Boards bring policies forward to a general meeting for approval by the membership. Staff develop procedures to put the policies into practice. If the organization doesn't have staff, your committees or directors will also create the procedures.

Develop policy statements to guide the organization in each area of responsibility, such as resident relations, hiring staff, volunteer and staff development, financial management, maintenance, ethics, recruitment, conflict of interest, government relations, community and public relations, and harassment. Policies explain what direction the organization will take, and procedures explain how the policies will be implemented. For example:

- A hiring policy might state that the organization is an equal opportunity employer, without describing actual hiring procedures.
- A policy on working with residents might state that the Board and staff are accessible to and respectful of residents, without detailing specific ways of communicating with residents.
- A policy on finances might state that the organization is accountable in its financial management and maintains adequate replacement reserve funds, without outlining the budget or bookkeeping processes.

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For more information on developing policies, contact the BC Non-Profit Housing Association at 604-527-8859 or 1-800-494-8859 to obtain a copy of their *Policy Template Manual*.

Housing co-ops can contact the Co-operative Housing Federation of BC at 604-879-5111 or 1-866-879-5111. The CHF BC offers workshops on policy development, and has a resource library with sample policies.

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## **b) PROCEDURES**

The next step is for staff, committee members or the Board to develop procedures to implement Board policies. Procedures delegate responsibility and describe how tasks will be completed. For example:

- A hiring procedure might direct staff to include a statement of equal opportunity in job advertisements to attract a range of applicants.
- Communication procedures might direct the Executive Director or Secretary to schedule quarterly or annual meetings with residents to share information and discuss current concerns, and to ensure residents are informed of opportunities to participate on committees.
- A financial procedure might state that the Treasurer will ensure financial statements are audited and submitted to BC Housing or CMHC within three or four months of fiscal year end, as required by the operating agreement, depending on the program.

Review policies annually to ensure they're still current. When you change policies, remember to update the procedures for that policy as well.



## Establish Standards of Conduct

Your organization needs to establish standards of conduct that define expectations for the way people will work together. The standards may be reflected in your Value Statement, for example:

- We value personal responsibility and the completion of tasks on time.
- We value communication based on honesty, respect and feedback.

Standards can be used to assess the performance of directors, staff and volunteers. If people fail to meet the standards – by being disrespectful with residents, staff or volunteers, for example – respectfully remind them of the standards of conduct, and note that concerns have been expressed about their work not adhering to the values. If necessary, you can offer training to help people develop the additional skills they need to maintain the standards of conduct.

## Recruit and Orient New Directors and Members

### a) RECRUITING NEW MEMBERS

Ongoing recruitment of potential directors and members provides the organization with new leadership and continuity. It's important to have diverse representation on the Board, so different perspectives are taken into account when decisions are made.

Many organizations elect Board members annually. You can vary this approach with staggered elections, where half the Board is elected to a two-year term, each year. With this system, you always have experienced directors who can train and mentor new directors.

In addition, your founding members may have set out specific requirements for the Board in your bylaws or rules. For instance, a society bylaw might say a seat on the Board must be reserved for a resident, or that you must have an accountant on the Board. A society bylaw or co-op rule may limit directors to three consecutive terms on the Board. Consult your bylaws or rules to see if there are any Board requirements you must meet.

To build ongoing Board stability:

- Develop a strong member base so people become knowledgeable about the organization and run for the Board, and/or
- Select a team of people to represent particular areas of expertise.



Societies need a healthy membership to draw on for new directors, unless the Board is very effective at selecting a team. Develop ways to attract members from the community to broaden membership. Members can gain experience participating on committees to develop the confidence and expertise to become directors.

Co-op residents are also members of the co-op, and each member has the right to run as a director.

Consider setting up a Board Recruitment/Nominations Committee that meets quarterly, so recruiting new people becomes a regular part of doing business. Assess the skills you have and need on the Board. Contact people who might be interested in participating in the organization to develop a list of prospective candidates. Each director can take responsibility for this task. For societies to attract Board candidates and expand membership, and for co-ops to attract new members:

- Ask other agencies to refer people.
- Make presentations to other community groups.
- Advertise in newspapers and send public service announcements to radio and television stations.
- Post notices or brochures in community centres, libraries, schools, churches, women's resource centres, employment offices, malls, the YMCA, the YWCA, etc.
- Set up a booth at conferences, trade fairs or shopping malls, and hand out a fact sheet on the organization and your Board's roles and responsibilities.

When you ask people to consider volunteering as a director, let them know what the organization does, the Board's mandate, what their roles and responsibilities would be, and how much time is involved in meetings, committee work and other tasks. Explain that getting involved can provide opportunities to:

- Gain experience and build new skills.
- Provide community leadership.
- Give back to the community.
- Make a difference in people's lives.
- Add experience to a resume.
- Explore talents.
- Gain recognition.
- Help create change.
- Have fun.

Invite candidates to attend a Board meeting so they can see what the job entails. Interview candidates before asking them to run for a position on a society Board to ensure they have the skills you're looking for and are committed to the work involved.



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Requirements for directors are set out in your society constitution and bylaws or co-op rules. Unless the bylaws state otherwise, people can be elected as directors without being a society member. Unless the co-op rules state otherwise, 80 per cent of co-op directors are required to be members, and a maximum of 20 per cent of directors do not have to be co-op members.

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## **b) ORIENTATION FOR NEW DIRECTORS**

Hold an orientation session when new members are elected to the Board to provide information they'll need to participate in Board activities. During the orientation:

- Brief new directors on the mission, vision and objectives of the association.
- Introduce all Board members and explain why each new person was asked to join, if appropriate.
- Outline the committee structure and how the workload is shared.
- Review job responsibilities.
- Provide minutes from previous Board meetings.
- Explain the government housing programs under which your buildings were developed.
- Give a history of your organization.
- Review conflict of interest issues.
- Tour a non-profit housing complex. (A new co-op director will already be a resident of the development.)

Consider developing a Board manual for new directors as a reference guide that includes:

- Mission and Vision statements.
- Organizational structure of your Board, staff and committees.
- Society constitution and bylaws, co-op memorandum and rules, legal responsibilities, operating and other major agreements, contracts, the *Society Act and Residential Tenancy Act* or the *Co-operative Association Act*.
- List of Board members' names, addresses, email addresses and phone numbers.
- Financial statements and budgets.
- Committee terms of reference.
- Policies and procedures.
- Staff names and job descriptions.
- Programs, services and assets.



- Calendar of events for the year, such as the Annual General Meeting, monthly Board meetings, an open house date, when budget approval occurs, when the newsletter is published.
- Conflict of interest guidelines.

Ask new members which committees and tasks they want to begin with, and expand these responsibilities as they learn more about the organization.

Team new members with experienced directors who can act as mentors to share expertise and provide guidance, so information is passed from one generation of the Board to the next.

## Follow Conflict of Interest Guidelines

Your Board of Directors is responsible for ensuring the financial health of the society or co-op. BC Housing is accountable for ensuring public funds are spent prudently. BC Housing operating agreements require directors and officers to conduct business in an ethical manner that does not allow personal gain. The reason for this requirement is to put the best interests of the organization and residents first.

To achieve this objective, make collective decisions at the Board and committee levels and set policies that are fair for the entire organization, rather than having individuals set policies or make major decisions. Decisions should be documented, and personal information discussed or collected while doing business should remain confidential.

We have developed detailed conflict of interest guidelines to ensure your directors' and officers' business or personal interests are not in a conflict of interest, or appear to have a conflict of interest, with their duties managing a housing development funded or facilitated by BC Housing.

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The *Society Act* contains disclosure of interest requirements for directors, and societies are required to have an unalterable conflict of interest clause in their bylaws. The *Co-operative Association Act* contains conflict of interest requirements for co-op directors and officers. In most conflict situations, whichever source is more restrictive – the applicable Act or BC Housing's guidelines – will apply.

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### a) DEFINING CONFLICT OF INTEREST

Your directors or officers and the people working for your organization must avoid any situation that could result in a conflict of interest or the *appearance* of a conflict of interest. A conflict of interest occurs when your business, or you personally, gain as a result of your duties with the society or co-op.



Directors and officers are not allowed to receive any compensation in the form of a salary, grant or honorarium for these duties. No part of the rent/housing charge revenue or federal/provincial funding you receive can be used to provide any benefit or payment to a director, officer or member, without written approval from BC Housing. An exception is made for reasonable wages for employees who are also members of the organization but do not sit on the Board.

Directors or officers' business or personal interests are in conflict when you or someone who is a 'related person' directly or indirectly receives, or may receive, a benefit that is in *addition to* any reimbursement for reasonable expenses you incur as a director or officer.

The term 'related person' means someone with a family connection or business association with a director or officer such that:

- A transaction between the housing provider and the related person would confer a benefit on the director or officer, or
- The relationship might affect or appear to affect the director or officer's ability to act impartially on behalf of the housing provider.

As a director or officer, you would have an actual or potential conflict of interest in the following situations:

1) When a person or business (called a contractor):

- Performs duties or provides services to BC Housing or the housing provider, in connection with a development, or
- Sells, leases or assists with the sale or lease of real estate or personal property to BC Housing or a housing provider, and you or a related person:
  - a) Is the contractor.
  - b) Is a shareholder of the contractor, or has the right to become a shareholder.
  - c) Is a partner in the contractor, or has the right to become a partner.
  - d) Holds or has the right to acquire, or has an interest in or the right to acquire an interest in, any stock, bond, debenture or security of or granted by the contractor.
  - e) Has any business, financial, personal or familial relationship with a director, officer or senior manager of the contractor.

2) When you or a related person engages in any personal business transaction or private arrangement for personal profit that arises from your position as a director or officer. This situation includes access to confidential information through your position with the society or co-op.

3) When you or a related person owns or has the right to acquire real estate or personal property in which BC Housing or the housing provider will acquire an interest for a development.

These conditions also apply to every person or business that performs duties for a housing provider.



Some conflict situations are fairly clear. For example, your spouse must not benefit personally from the sale or lease of land to BC Housing, the society or co-op. In other situations, the conflict of interest may not be immediately apparent. For example, a director may be in conflict for receiving a finder's fee for arranging technical consultants or suppliers for the society or co-op.

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Under the *Co-operative Association Act*, a director or officer is in conflict when the co-op enters into a contract or transaction:

- That provides a financial gain to the director or officer.
  - With a person or organization in which the director has a material interest.
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## **b) RESIDENTS AS DIRECTORS OR OFFICERS**

For non-profit housing societies, there's an exception to the conflict of interest rule – when a resident is asked to become a director or officer, or when a director or officer applies to become a resident. Technically, a conflict exists because a resident stands to gain personal benefit from being on the Board. However, housing societies can benefit from having resident input on the Board.

To ensure applicants are treated fairly and equally, the society must treat a director's application the same as other applications. The director or officer should not receive any preferential treatment.

A director or officer who applies for housing or becomes a resident must declare this information at the next meeting of the Board of Directors. You must also take any action required under the *Society Act* for directors in conflict of interest. Your legal advisor will be able to advise you of the appropriate action.

The situation is different for housing co-operatives. 80 per cent of co-op directors are required to be members under the *Co-operative Association Act*. In addition, many co-op rules require all directors to be members. As a result, most or all housing co-op Board members live in the development.

## **c) ONGOING OPERATIONS**

If you believe your organization has a conflict of interest you cannot readily resolve, you can present the case to BC Housing for review. Present any reasons why an exception should be made to allow the conflict. For example, only two plumbers offer services in the community, and one is a Board member. Both plumbers are asked to bid on a project and the Board member puts in the low bid. As long as you can document that the bidding process was fair and unbiased, BC Housing will not object to the low bidder – your Board member – performing the contract.



## **d) DECLARING A CONFLICT OF INTEREST FOR A NEW DEVELOPMENT**

BC Housing expects directors and officers to declare serious conflicts of interest connected to a new development as soon as possible.

Before your society or co-op establishes any contractual agreements for a new development, such as a lease, mortgage or operating agreement, you must deliver a *Housing Provider Statutory Declaration* to the Director of Development Services at BC Housing. You'll find a copy of the declaration on page 77 in the appendix or in the *Resource Directory* on our website at [www.bchousing.org](http://www.bchousing.org).

If a director or officer has a conflict of interest that arises after you set up one of these contracts, they must report the conflict to you and you must deliver a new declaration form disclosing the conflict of interest. As well, if a director or officer has a conflict of interest they haven't disclosed and you become aware of it, a new declaration form is required.

Each person or business you enter a contract with or agree to pay a fee to must complete a *Contractor's Statutory Declaration*, including:

- Resource Consultants.
- Real Estate Agents.
- Architects.
- General Contractors.
- Developers.

If the contractor is an incorporated business or partnership, a senior member, officer or director must complete the statutory declaration, which is included on page 78 in the appendix, or in the *Resource Directory* on our website at [www.bchousing.org](http://www.bchousing.org).

If a serious conflict of interest is disclosed, you need written notice from BC Housing that the conflict does not preclude a contractor from providing services.

If a conflict of interest arises after you enter a contract, the contractor must report the conflict to you, and you must deliver a new declaration form to disclose the conflict. If you become aware a contractor has not disclosed a conflict of interest, a new declaration form is required.

If a director, officer, housing provider or contractor fails to promptly report a serious conflict of interest, BC Housing may decide to take appropriate action, which could include:

- Assuming the development process.
- Partnering the housing provider with a more experienced housing provider.
- Transferring the housing allocation to another group.
- Suspending or terminating funding to the housing provider.



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Under the *Society Act* and *Co-operative Association Act*, directors are required to disclose a conflict of interest to their organization, and must abstain from voting on decisions connected to the conflict.

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## Hold Well-Organized Meetings and Make Effective Decisions

### a) MEETINGS

Focus your Board meetings on making decisions that help the organization achieve its objectives. Schedule the most important or emotional issues early in the meeting, so people will be fresh to deal with them.

Prepare an agenda to follow so your meetings stay on track. Send the agenda to members ahead of time, with background information, reports and recommendations attached, so they can review these materials before the meeting.

Your Board can use an informal method to set the agenda, where members phone or write notes to the Secretary listing agenda items. Or you can use the *Agenda Planning Form* on page 79 in the appendix for a more structured approach. Board members fill out this form and give it to the Chair or Secretary by an agreed date before the meeting. Many groups simply list agenda items in the following categories:

- Minutes from Previous Meeting.
- Old Business.
- Committee Reports.
- New Business.
- Delegations.

Another approach called an “illustrative agenda” turns the agenda into a work sheet to organize and streamline the meeting. An illustrative agenda is divided into columns to indicate the:

- Time allotted to each agenda item.
- How each item will be handled, for example, group discussion, a report or presentation.
- Person responsible for each topic.
- Resources and materials needed for each agenda item, such as previous minutes, nametags, paper and pens.
- Nature of each item – whether it’s for information, a policy decision, discussion, motivation or reporting.
- Any follow-up action required.



A sample illustrative agenda form is included in the appendix on page 80.

Select the agenda planning method you think will work best for your group. The Board will delegate responsibility for follow-up action with either method, with a time frame for completing the task and reporting back.

## **b) MAKING DECISIONS**

Ensure your directors have accurate, complete and timely information before decisions are made. The Board can choose from several approaches to handle decision-making. For example, you don't necessarily need to conduct formal meetings according to the parliamentary procedures for large groups set out in Robert's Rules of Order, although this is an option. But you do need procedures everyone can agree to so the group can work together to make decisions. Here are some methods to consider:

### **Making Motions**

Directors make motions to state what will be done, who will do it, when, and if there's a cost. For example, a director might say, "I move that the Board direct the Education Committee to research the cost of sending up to five residents to college for Early Childhood Education training, and to make a recommendation to the next Board meeting."

In addition, directors can bring a motion forward from a committee recommendation. For example, a member might respond to the Education Committee's research at the next meeting by saying, "I move that the Board accept the recommendation of the Education Committee, which directs the Fundraising Committee to develop a plan for raising \$5,000 by September 20\_\_ to send up to five residents for Early Childhood Education training."

Motions are moved, seconded (if required in your bylaws or rules), and read out by the Chair or Secretary before discussion takes place. Then Board members can discuss the motion and ask for clarification. (Motions to adjourn do not need to be seconded.)

The Chair can follow a speakers' list, as directors indicate they want to comment, and ask other members for their opinion, if a few people dominate the discussion. Alternatively, the chair could use a roundtable approach where everyone is given an opportunity to speak without interruption. Members can suggest one or two amendments to a motion by:

- Inserting words into the motion.
- Adding to the end of the motion.
- Striking words out.
- Striking out and inserting new words.
- Substituting another motion for the one under discussion.

Amendments are voted on first, then the main motion, and require a simple majority to carry.



## Group Consensus

To reach a decision by consensus, the entire group works cooperatively to consider all points of view and to find a decision everyone can consent to. Consensus does not mean everyone fully agrees. Rather, consensus means reaching a decision that is acceptable to everyone so members will support the decision. Consensus decision-making is based on the idea that everyone has an equal chance to be heard and the opportunity to exercise control over decisions. To succeed, the consensus process requires:

- A sense of group unity, respect and purpose, which can be stated in the mission and values.
- Equal sharing of power and opportunities to participate.
- Time spent on relationships between members, in addition to making decisions.
- Discussion of how the group works together and development of procedural guidelines.
- Trust and commitment from all members to work cooperatively, examine their own attitudes and be open to change.
- Opportunities for everyone to develop participation, facilitation and communication skills.
- Autonomy from hierarchical systems that don't recognize consensus.

A facilitator manages the consensus process and attends to group dynamics. At the beginning of the meeting, the group reviews and agrees to the agenda, so everyone knows what's being discussed and the order.

When the discussion gets underway, each person has a turn to speak without interruption, starting with one person and moving around the table. Members are encouraged to add new ideas, rather than repeating what's already been said. People also have the opportunity to ask questions for clarification. Both the facilitator and Board members are responsible for:

- Being respectful of people's points of view.
- Being open to hearing different opinions.
- Keeping the discussion on topic.
- Clarifying complicated or confusing information.
- Summarizing where the group has agreement and acknowledging different views.
- Identifying new issues as they emerge.
- Ensuring everyone has an opportunity to speak and be heard.
- Identifying problems in the process and working to remedy them.



When everyone has expressed a point of view and the discussion begins to get repetitive, the facilitator summarizes the conclusion the group seems to be moving toward and asks whether people support this decision. If the group agrees, consensus has been reached and the decision is binding, just as a decision by majority vote. List the decision as a motion passed by consensus in the minutes.

If an objection is raised, the group listens and continues the discussion until everyone supports a decision. Open-ended questions can be asked to elicit the source of an objection. Then the group can modify the idea being discussed to incorporate the concern, take a new direction with its decision, or refer the issue to a committee with equal numbers representing each opinion. The committee is asked to develop a solution by consensus, and bring the proposal back to the group for a final decision.

If someone has a strong conviction against a decision, they can block consensus until new information is raised that causes a change in position, or until someone else persuades the individual to put aside the objection for the good of the group. If necessary, the blocker takes responsibility for finding a solution to bring to the next meeting. Blocking should not be used frivolously.

### **Delegating Authority**

The Board can assign an individual, a group of individuals, a task force or a subcommittee to make a specific decision. The decision is entrusted to this person or group to determine how to handle the decision-making process. At co-ops, a director or group of directors must handle this responsibility.

### **Fiat**

A person or group is given the authority to make decisions, and may or may not choose to consult people before arriving at a final decision. A director or group of directors must handle this responsibility at a housing co-op.

### **Tabling Decisions**

Sometimes groups will decide to table a contentious issue for further research or consultation, when members have been unable to reach agreement. If a decision is tabled, you need to develop a process for reviewing and resolving the issue in a timely way.



## Evaluate Management Practices

Conducting an annual review of your goals, structure, systems and activities will help assess where your organization's strengths and challenges lie. An evaluation is not supposed to identify failures and assign blame. The evaluation is intended to identify areas for improvement, systems that are working well, and new opportunities your organization may want to explore.

If you identify a problem, the evaluation process can clarify why the problem exists and how to resolve it. In addition, you can use the information from your evaluation to revise plans and demonstrate accountability to funding agencies and the public.

### a) ASSESS OBJECTIVES AND PLANS

Your Board sets objectives and develops plans for the organization. Review the following questions to ensure these plans meet the needs of residents and the organization:

- Are the Mission and Vision statements clear? Are they still appropriate or do they need to be modified?
- Do the objectives reflect your vision? Can the objectives be measured?
- Do your short and long-term plans set out achievable tasks?
- Have your plans been implemented?
- Are new objectives based on past performance, resources, and feedback from members, staff, residents, government and community contacts?
- Does consultation occur as part of the planning process? Who is included in your consultations?
- Are your financial records audited annually?

### b) REVIEW YOUR STAFF EVALUATION PROCESS

If your organization hires staff, the Board would evaluate the executive director or manager, who would evaluate other staff. The executive director also develops job descriptions and ensures staff receive adequate training. Staff evaluations should be conducted before the end of a probationary period, then on a regular basis. (Refer to page 39 for more information on how to conduct staff evaluations.)

Review the following list of questions to assess your staff evaluation process:

- Do staff receive appropriate training?
- Do staff have access to current training materials?
- Do job descriptions clearly explain responsibilities?
- Do staff understand the organization's mission and vision?
- Is staff performance evaluated regularly?



- Is the performance evaluation process fair? Is staff performance assessed by the achievement of job responsibilities, not your personal expectations?
- Do staff participate in setting key performance objectives?

### **c) ASSESS HOW YOUR BOARD IS WORKING**

To assess how effectively the Board itself is working, Board members can review the following questions:

- What are the Board's top priorities?
- What are the organization's top priorities?
- Are these priorities connected, and if not, why not?
- How much time is focused on these priorities at Board and committee meetings, and how much is spent on less important topics?
- Could some Board agenda items be delegated to committees or staff?
- What steps could the Board take to better focus on priorities?

## Initiate a Strategic Planning Process

### **a) MISSION STATEMENT**

A strategic planning process can help identify the role you want your organization to play in the community, and build a culture of working toward common goals among Board members, employees, volunteers, and residents, if appropriate.

The first step is to develop a mission statement, which states the reason your group exists. Your mission provides an overarching statement of direction that can be used to measure decisions and actions. A mission statement *briefly* describes:

- Your organization's purpose, goals and clients.
- What your society or co-op does that's important.
- Why people should support your work.

You don't need to explain the details of how you'll do the work. For example, a generic mission statement might read:

*The ABC Society/Co-op is a group of non-profit volunteers who provide affordable housing and foster community development among families and seniors with low to moderate incomes.*

Review the mission statement every three to five years to make sure it still reflects the organization's goals and activities, and update it as necessary. Review the mission with new Board members when they join.



## b) VISION STATEMENT AND VALUES

Develop a vision statement and values to clarify how the Board intends to achieve its mission. Your vision provides an ideal to aim for, and describes what the future could look like when the mission has been fulfilled. For example, a generic vision statement might say:

*The ABC Society/Co-op will strive for excellence in providing housing and programs for seniors and families wishing to raise their children with a sense of community. Our Board will provide leadership to develop a complex that offers high quality housing, community facilities, daycare, and training opportunities for our residents/members. The development will be a safe and supportive place to live. In turn, these facilities will engender a positive image for our organization and the community. People will volunteer as Board members and program facilitators. Residents/members will be an integral part of our management team.*

Values define the principles and goals of the Board. For instance, a value statement might say:

*We value commitment and participation, therefore we:*

- *Encourage involvement among people with diverse backgrounds,*
- *Foster a supportive environment, and*
- *Recognize initiative and diligence.*

*We value respectful communication, therefore we:*

- *Encourage openness and honesty,*
- *Ensure equality among members, and*
- *Discuss and resolve issues constructively.*

Other values might cover:

- Board priorities and expected outcomes.
- How the group will make decisions.
- Opportunities for leadership and personal growth.
- Ongoing evaluation.

## c) OBJECTIVES

Your objectives need to be SMART – specific, measurable, achievable, realistic and time sensitive. Set out short-term objectives the organization can meet this year, and long-term objectives you want to meet over the next two to three years.



The objectives should help you achieve your vision and values. Make the objectives realistic for your organization's size and resources, considering the pool of volunteers available to assist the organization, and the interests and expertise of your directors, staff and residents. Some examples might include:

#### *Short-Term Objectives*

- *Be a good neighbour and integrate into the community.*
- *Develop a Resident/Member Participation Plan with residents or co-op members.*
- *Develop and facilitate three training workshops.*

#### *Long-Term Objectives*

- *Elect three residents to the Society Board, and have residents participate on all committees.*
- *Raise money to send up to five residents to college courses in Early Childhood Education.*
- *Build ten new townhouses and two wheelchair accessible units.*

### **d) ACTION PLAN**

Plan specific actions you can implement to achieve the objectives, defining what to do, when to complete the action, and who is responsible. Again, plan activities that reflect the organization's size and resources. For example, to meet your short-term objectives, the action plan could state:

- *The Board will hold a planning session with residents/members to brainstorm goals and activities for a Resident/Member Participation Plan, by April 30.*
- *An ad hoc committee of two Board members and two residents will research options to broaden resident involvement, by June 30.*
- *The Public Relations Committee will write, print and distribute a brochure describing our organization, by September 30.*
- *The Board Chair will make a presentation to Municipal Council on April 14 to explain our success establishing Block Parents and Neighbourhood Watch programs.*
- *The Education Committee will contact the BC Non-Profit Housing Association or Co-operative Housing Federation of BC by January 30 to arrange a workshop on effective meetings for the winter, financial management for the spring and maintenance systems in autumn.*
- *The Education Committee will develop and conduct a Resident/Member Participation Survey by August 31.*

To meet your long-term objectives, the action plan might state:

- *The Board will organize an open house at XYZ Place to be held in August 20\_\_, and will invite neighbours, local media and government representatives one month prior.*
- *The Board will complete a policies and procedures manual by November 20\_\_.*



- *The Fundraising Committee will develop fundraising initiatives by September 20\_\_ to raise \$5,000 by June 20\_\_ to send up to five residents for Early Childhood Education training in September 20\_\_.*
- *The Education Committee will prepare recommendations for resident/member involvement, using the Resident/Member Participation Survey results as a guide. The recommendations will be ready for the Board of Directors to consider at the Annual General Meeting in 20\_\_.*
- *The Board will strike a Construction Committee to research building twelve additional units. The committee will submit a report to the Board in 20\_\_.*

Review and update your action plan annually to evaluate accomplishments and revise and set new goals.

## Develop a Risk Management Plan

### a) DEFINING RISK

Risk can be defined as exposure to any event that may threaten or jeopardize:

- The organization or its operations.
- Staff, volunteers, residents.
- Your reputation.
- Income, property or liability.

Risks can be related to residents, contractors, employees, volunteers, visitors, directors and officers, property, disasters, vehicles or other transportation, and other exposures.

### b) MANAGING RISK

Risk management should be an ongoing Board priority to:

- Identify where problems might arise.
- Develop strategies to eliminate or minimize the problems.
- Reduce bad outcomes.
- Share the information with others.

Risk management involves assessing the probability of risk, loss, and the potential severity of the consequences, and can:

- Preserve and protect an organization's assets.
- Help improve the quality of service you deliver.



A risk management program includes:

- Processes to identify risks.
- Estimates of the likelihood/costs of potential risks. (Generally, resources are directed to the most likely risks.)
- Strategies and actions for controlling risks.
- Payment plans, such as insurance, to finance risks.

Your Board is responsible for:

- Defining risk management for the organization.
- Adopting risk management policies.
- Reviewing regular risk management reports.
- Incorporating risk management into strategic planning.
- Supporting manager and staff risk management activities.
- Monitoring and evaluating risk management activities.