

**Improving Governance Practices at the
Victoria West Community Association**

Penelope Barillaro

School of Public Administration

University of Victoria

April 2014

Client: Diane Carr
Victoria West Community Association

Supervisor: Dr. Kimberly Speers
School of Public Administration, University of Victoria

Second Reader: Dr. J. Barton Cunningham
School of Public Administration, University of Victoria

Chair: Dr. Lynne Siemens
School of Public Administration, University of Victoria

Executive Summary

Community associations are an important part of many neighborhoods and communities across Canada. The role they fulfill locally is to improve the quality of life of the residents living within the neighborhood. They are formed by volunteers with an interest in offering neighborhood specific activities such as affordable sport, culture and recreation programs, community events or advocacy regarding an issue within the neighborhood. These types of activities and events increase the quality of life and desirability of living in these neighborhoods.

Typically community associations are non-profit organizations that are governed by various levels of government (depending on their status) in terms of legislation, policies and funding. In British Columbia, the provincial government regulates non-profits through the *Society Act* (1996) which gives an association the authority to manage finances and receive grants from third parties. The municipal level typically provides funding for association activities. The federal government allows for charitable status and the many advantages that provides.

The Victoria West Community Association (VWCA) is a non-profit organization established in 1971. Its role is to promote, facilitate, support or undertake any activity that will enhance the quality of life in the Victoria West community. It has been operating the Victoria West Community Centre (Centre) for almost four years. While the Centre may be the most visible aspect of the VWCA, there are a number of activities the association undertakes to support its mission of community building such as Vic West Fest, the annual corn roast as well as being an advocate for the residents of Victoria West.

The purpose of this project (Project) is to analyze and recommend solutions to increase board effectiveness and governance practices VWCA. The Project's primary research question is: how can VWCA improve its governance, organizational and fiscal capacity to meet its mission and vision?

The following secondary research questions are also explored in the Project:

- What is the current and preferred governance model and structure for the board?
- What is the current and preferred organizational structure and roles of the employees of VWCA?
- What are some additional revenue strategies if the recommendations propose additional staff resources?

This project is important and relevant in order for the association to accomplish its mission and vision, and thus ensure the long term stability of the organization. In addition, the organization receives public funding to run a centre for a public purpose. It is also applying for charitable status with Canada Revenue Agency (CRA) so effective governance is important. Finally the City of Victoria looks to at least three VWCA committees for information on how developments (land and water) will impact the community and residents of Victoria West.

The deliverables for this project were a literature review, current state analysis, a comparative analysis and recommendations for VWCA regarding improved board effectiveness and governance practices. In order to achieve these deliverables, the research approach involved a literature review, document review as well as key informant interviews with current and former board members and comparator organizations.

The literature review focused on the areas of greatest need with VWCA: governance models; board effectiveness, and organizational effectiveness. The research informed a conceptual model which was an “ideal state” of a community association board of directors and thus acted as filter and assisted in developing the recommendations provided in this report.

The interviews with the comparator organizations provided an opportunity to learn about successful practices by similar organizations in the Greater Victoria area. While there was no direct comparator to VWCA, the information gleaned from the comparator organizations was valuable. The findings from both the document review and interviews informed the recommendations and highlighted key focus areas for the association in the near term (1-2 years) in order to ensure long-term sustainability of the association.

Key informant interviews were conducted with six current board members and one former board member from VWCA. The purpose of the key informant interviews for VWCA was to gather information on how they think the governance practices, organizational structure and finances can be revised as well as gain an understanding of the operational, management and strategic planning aspects of the organization.

The comparator organizations were Oaklands Community Centre, Fernwood Neighbourhood Resource Group and Fairfield Gonzales Community Association. Interviews were conducted with four individuals – three executive directors and one board president. The purpose of the interviews was to gather information from board members and staff on governance practices, organizational structure, best practices in funding for community associations as well as the strategic, operational and management aspects of the organizations.

The recommendations are focused and organized around governance, organizational and fiscal capacity. A total of 14 recommendations regarding were made. The recommendations are tangible actions that the association can undertake to increase its effectiveness and funding to ensure long-term sustainability of the association. While it is hoped that all recommendations are implemented, the priorities are strategic planning, increasing leadership capacity and board member development, ensuring fiscal literacy of board members, hiring an executive director, finalizing charitable status and researching social enterprise funding. Some of these recommendations are more involved than others; however they are important to ensure VWCA can continue to provide the valuable services it is currently providing to the Victoria West community.

Acknowledgements

I would like to thank Dr. Kimberly Speers for providing me with direction and advice throughout the Project. A number of “unique challenges” arose and Dr. Speers’ guidance and support was greatly appreciated.

I would also like to thank the clients, the VWCA, for providing the opportunity to do this project. It was an interesting learning experience. Thanks especially to Diane Carr and Nan Judd as well as the rest of the board of directors for their time and patience during the project.

To those participants whose organizations were used as comparators, Fairfield Gonzales Community Association, Oaklands Community Centre and Fernwood Neighbourhood Resource Group, thank you for sharing your time, insight and experience. I learned a great deal and was incredibly impressed with the passion of those working in this field.

I would like to express appreciation to Joy Illington for presenting the opportunity to work with VWCA. I could not have been completed this project without your leadership and support. It was a pleasure to work with you on this project.

Finally, thank you to my family. To my husband, Scott, who supported me throughout the MPA program; there were a lot of ups and downs and sometimes sideways challenges in this journey and you were always there for me. Thank you for giving me the space needed to complete my masters and taking care of our son Lucas when I needed to focus. To my son, Lucas, I am looking forward to having our free time back for playing, laughing and being together as a family. To my mom, Leah, I could not have completed this program without your support. You always encouraged me to keep going no matter how difficult it was. You are a wonderful role model. I wish my step-father, Graham, could have been here to see me graduate. I miss him very much, he would have been so proud. The last few years have been tough and I am forever grateful for the love and support from Scott, Lucas, my mom and Graham not only in completing the MPA but in life. I love you all very much.

Table of Contents

Executive Summary	2
Acknowledgements	4
1.0 Introduction	7
1.1 Project Client and Objectives	7
1.1.1 Project Client	7
1.1.2 Project Objectives and Research Question	8
1.2 Problem Definition and Importance of Project	8
1.3 Context and Background	9
1.3.1 Strategic Planning at VWCA	10
1.3.2 Vision, Mission, Values and Purposes	10
1.4 Deliverables	11
2.0 Literature Review	13
2.1 Governance Models	13
2.2 Carver Model	15
2.3 Board Effectiveness	16
2.4 Organizational Effectiveness	18
3.0 Conceptual Framework	21
4.0 Methodology and Methods	23
4.1 Methodology	23
4.1.1 Case Studies	23
4.1.2 Gap Analysis	23
4.1.3 Smart Practices Scan	23
4.2 Methods	24
4.2.1 Literature Review	24
4.2.2 Key Informant Interviews	24
4.3 Document Review	25
5.0 Findings: Interviews with VWCA Board Members	26
5.1 Governance Practices	26
5.2 Organizational Structure	30
5.3 Finances	31
6.0 Findings: Interviews with Comparator Organizations	33
6.1 Governance Practices	33
6.2 Organization Structure	33
6.3 Finances	34
7.0 Recommendations to Consider	36
7.1 Governance Capacity Recommendations	36
7.1.1 Recommendation 1: Develop a Strategic Plan	36

7.1.2	Recommendation 2: Continue as Operational/Working Board	37
7.1.3	Recommendation 3: Determine Leadership Style	38
7.1.4	Recommendation 4: Practice Good Meeting Management Techniques.....	39
7.1.5	Recommendation 5: Ensure Appropriate Board Conduct	39
7.1.6	Recommendation 6: Improve Volunteer Recruitment and Management	40
7.1.7	Recommendation 7: Fiscal Literacy Training	40
7.2	Organizational Capacity Recommendations.....	40
7.2.1	Recommendation 8: Clarify Centre Manager Role.....	40
7.2.2	Recommendation 9: Employ an Executive Director	41
7.2.3	Recommendation 10: Employ a Bookkeeper.....	42
7.2.4	Recommendation 11: Create a Finance Committee	43
7.3	Fiscal Capacity Recommendations	43
7.3.1	Recommendation 12: Complete Charitable Status Process	43
7.3.2	Recommendation 13: Research Social Enterprise Funding.....	44
7.3.3	Recommendation 14: Property Developments as Revenue Sources.....	44
8.0	Conclusion	45
	References	46
	Appendix A: VWCA Values	49
	Appendix B: VWCA Purposes	50
	Appendix D: VWCA Board Interview Questions	53
	Appendix E: Comparator Organization Interview Questions	55
	Appendix G: Board Effectiveness Quick Check.....	58
	Appendix H: Director's Self-Evaluation Checklist	60
	Appendix I: Sample Executive Director Job Description and Advertisement.....	62
	Appendix J: Sample Executive Director Job Descriptions	66

1.0 Introduction

A community association is a non-profit, non-governmental organization that is comprised of residents living in a neighborhood. The purpose of these associations is to improve the quality of life of the individuals living within a certain area. In British Columbia, these associations are legally structured and bound by the laws of the *Society Act* (1996). This legislation gives an association the authority to manage finances and receive grants from governments and other funding sources.

Community associations can be formed by volunteers with an interest in offering neighbourhood-specific activities that provide affordable sport, culture and recreation programs, community events or in response to issues in a community. Municipal and provincial governments provide funding and grants to these associations as a means to improve quality of life in these neighborhoods.

Victoria West, commonly referred to as Vic West, is an historic neighborhood in the city of Victoria, British Columbia, Canada. It is located to the west of downtown and borders the Township of Esquimalt.

The research for this project was conducted in December and January 2014. Recent initiatives that address some of the recommendations have taken place since the research stage was completed. For further information, please contact the Victoria West Community Association (VWCA).

1.1 Project Client and Objectives

1.1.1 Project Client

The role of the Victoria West Community Association (VWCA) is to promote, facilitate, support or undertake any activity that will enhance the quality of life in the Victoria West community. The VWCA is a non-profit organization established in 1971. It has operated the Victoria West Community Centre (Centre) for almost four years. While the Centre may be the most visible aspect of the VWCA, there are a number of activities the association undertakes to support its mission of community building such as Vic West Fest, the annual Corn Roast as well as being an advocate for the residents of Victoria West.

The board of directors is comprised of twelve members: President, Vice-President, Treasurer, Secretary and eight directors responsible for Land Use, Harbour, Parks and Environment, Communications, Projects and Events, Transportation, Governance and Community Centre. The association employs one manager and two part-time employees who are focused on the operations of the Centre. The manager is accountable to the VWCA Board of Directors (Board), reports to the President, and liaises with the Community Centre Committee. The part-time employees are accountable to the manager.

1.1.2 Project Objectives and Research Question

The purpose this paper (Project) is to analyze and recommend solutions to increase board effectiveness and governance practices VWCA. The Project's primary research question is: how can VWCA improve its governance, organizational and fiscal capacity to meet its mission and vision?

The following secondary research questions are also explored in the Project:

- What is the current and preferred governance model and structure for the board?
- What is the current and preferred organizational structure and roles of the employees of VWCA?
- What are some additional revenue strategies if the recommendations propose additional staff resources?

For the purpose of this research report, governance, organizational, and fiscal capacity are defined as the following:

- Governance capacity is the actions or activities that leads to effective decision making;
- Organizational capacity is the ability of an organization to meet its operational goals;
- Fiscal capacity is the revenue generation and expenditure aspects of the organization.

1.2 Problem Definition and Importance of Project

The initial proposal for this project was to provide advice and recommendations regarding a governance model (board and organizational structure) for VWCA. Through the interviews, it became apparent that advice and recommendations regarding board effectiveness and governance practices were a priority.

This project is important and relevant in order for the association to accomplish its mission and vision, and thus ensure the long term stability of the organization. In addition, the organization receives public funding to run a centre for a public purpose. It is also applying for charitable status with Canada Revenue Agency (CRA) so effective governance is important. Finally the City of Victoria (City) looks to at least three VWCA committees (Land Use, Transportation and Harbour) to provide a venue for Victoria West resident's views on land use proposals and issues which the City takes into consideration.

Currently the Board is functional but not sustainable because there is insufficient capacity to support the goals and tasks it has set for itself. This is a significant issue not only for the association but also for the Victoria West community as the purpose of the association is to enhance the quality of life of its residents. As a result, the organization in its current form is not able to support long-term growth.

The Board's tasks are outpacing the capacity of the board in many areas. Board members undertake a combination of strategic and operational tasks to support the association while the staff provides operational support for Centre. For this project, a needs assessment was

conducted to better understand what improvements are needed to ensure the board and organization is effective in both the short and long-term. The association is currently at a crossroads in determining whether to hire an executive director to manage the association or to continue as a working board.

The time and expertise of volunteer Board members must be used effectively to avoid “burn out”. This may be caused by: doing “too much”; a feeling that not enough progress is being made; not getting feedback from the community for work achieved; not feeling appreciated for amount of effort invested; not enough volunteers to spread the work around; not getting to strategic goals, and not having the existing opportunity to apply experience in certain areas. The proposed recommendations regarding board effectiveness and governance will outline what the association needs to do in order to do to ensure long-term sustainability, growth and continuity of the association.

The VWCA is partially reliant on grants to fund employee salaries. While funding is not the main research question to be answered, it is an integral component as a new organizational structure is proposed and needs to be funded. It is anticipated that improved governance practices would ensure a long-term focus and sustainable approach to funding.

The client needs this project to be completed as there are no funds allocated to hire a consultant. The Board will utilize the recommendations provided as they develop their organizational priorities and strategic direction in the future.

1.3 Context and Background

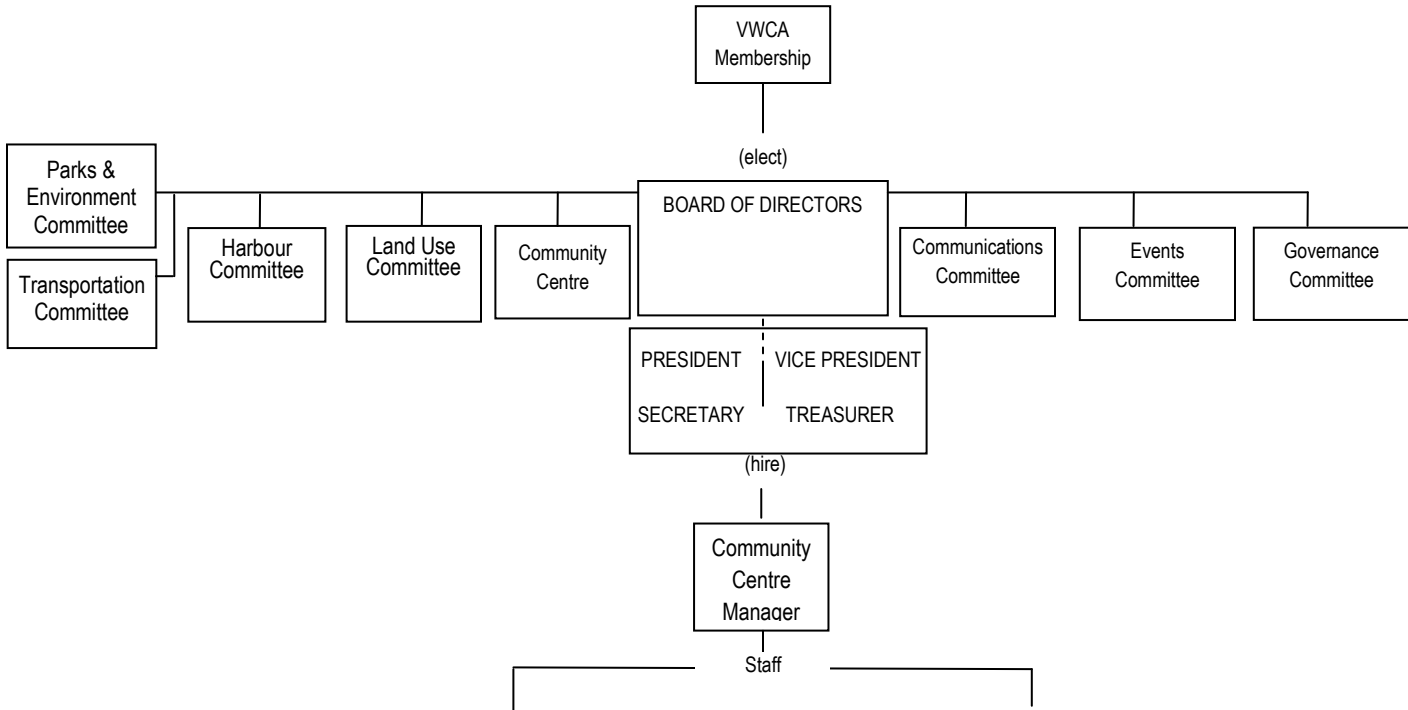
The VWCA is a non-profit organization and is incorporated under the *Society Act* (1996). The 2013 budget was \$250,000. The funding for staff positions comes from revenues generated by programs and rentals as well as grants from the City of Victoria (City). The VWCA applies for and typically receives, \$77,780.00 on an annual basis. There is no contract or term commitment from the City. The VWCA, as with other community groups, has received assurance that the existing grant will not be reduced or increased for 2014. The grants must be used for certain functions such as programming, youth programming and cleaning. These grants are used for the Centre as a project of the association.

Figure 1 shows the organizational structure of VWCA. The size of the board is comparable to other organizations with working or operational board of directors. The size is large when compared to other community associations with an executive director. Typically the board size for these organizations is nine or ten members. If VWCA hires an executive director, the number of board members can be reviewed to determine if they will remain the same or decrease.

The twelve board members are elected by the membership at the Annual General Meeting (AGM). All appointments are for two year terms and with a maximum of three terms. At the first meeting following the AGM, the directors appoint the president, vice president, secretary and

treasurer. Following the appointment/election of officers, directors will indicate their interest in areas of responsibilities (including charring committees).

Figure 1: Victoria West Community Association Organization Structure



1.3.1 Strategic Planning at VWCA

Currently there is no strategic plan for the association. The last strategic plan was for the period 2011-2012 and it was under review in April of 2012. A re-visioning session was held in April 2013 which is described below. The re-visioning exercise included an environmental scan and Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis. However, a strategic plan did not result from that meeting. The organization has the following: vision, mission, values and purposes.

1.3.2 Vision, Mission, Values and Purposes

The following is the vision and mission for VWCA. This is what it strives to achieve as an organization.

Vision:

Victoria West community is a diverse, healthy and vital place to live, work and play.

Mission:

The VWCA is a not for profit organization whose mission is to engage residents in community stewardship, to impact decisions that affect the community, to raise awareness, to foster a sense of spirit and pride and to encourage participation in community issues, solutions, projects and events.

The Centre is the heart of the neighborhood, offering diverse and relevant activities for all. It is a place where neighbours meet, learn and volunteer. The Centre provides physical, intellectual, social and cultural services and programs that contribute to individual and community health and development.

Values:

The values (see Appendix A) are guiding principles which form the foundation for achieving the mission. The VWCA believes the organization's leadership need to adhere to the values in all decision making.

Purposes:

The purposes (see Appendix B) were approved in March 2013 at a Special General Meeting. They answer the question "WHY do we do what we do?". In April 2013, a number of Board members, committee members and residents met for a "re-visioning" session where they discussed the "HOW? and WHO?" related to these purposes.

1.4 Deliverables

The first deliverable was a literature review. Research in the areas of governance models and board types, board effectiveness and organizational effectiveness were reviewed. Due to VWCA's interest in the Carver Policy Governance Model, further research was conducted on this governance model.

The second deliverable was an analysis of the current state of the association. This included two components: open ended interviews with members of the Board and a document review. The intended purpose of these interviews was to gather information from board members on how they think the governance practices, organizational structure and finances can be revised while also gaining an understanding of the operational, management and strategic planning aspects of the organization. As a result of the interviews, it was clear that a focus on board effectiveness and governance was needed.

The third deliverable of the project was a comparative analysis of similar organizations and their governance models and organizational structure. This included interviews with similar organizations to gain information on their governance practices, organizational structure and best practices in funding for community associations. While an exact comparator with VWCA does not exist, there are a number of community organizations that served as sufficient comparators.

As a result of the research from the literature review, a conceptual model was developed which was an “ideal state” of a community association board of directors. The findings were filtered through the conceptual model. This led to the recommendations on how VWCA can improve governance, organizational and fiscal capacity. The recommendations are tangible actions that the association can undertake to increase its effectiveness. The report also provides recommendations regarding funding sources for hiring additional staff.

2.0 Literature Review

The purpose of the literature review is two-fold: to provide information on current research and develop an understanding of the linkages between governance models, board effectiveness and organizational effectiveness. The literature review will be utilized to develop the conceptual framework. Based on the information from the literature review, the conceptual model and responses from the interviews, recommendations regarding board effectiveness and governance practices will be made.

2.1 Governance Models

Governance models are the “structures, processes, and organizational traditions [that] determine how power is exercised, how decisions are made, how stakeholders have their say, and how decision-makers are held to account” (Gill, 2005, p. 15). While governance is a broad topic, most of the literature agrees there is not a “one size fits all” approach to non-profit governance (Metelsky, 2011). However, Carver (1996) believes his Policy Governance Model is applicable to any type of board as it is based on a generic set of principles.

There are a number of different governance models and board types. As Gill (2005) outlines there are a number of options depending on organization size and focus. Table 1 is an overview of common models.

Table 1: Governance Models and Board Types

Model/Board Type	Description	Focus
Operational	The board conducts management, operational and board responsibilities. Distinguished from management boards by their lack of staff support. Also known as a “working board”.	Operations
Collective	The board and staff make decisions regarding governance and the organization as a “single team”. A lack of hierarchy is present. Board members may be involved in some of the operations or management functions. Typically seen with co-operative type organizations.	Operations/inclusive decision-making processes
Management	The board is involved in the operations and management of the organization and may have an employee. Board members actively manage finances, human resources and service delivery directly or as committee chairs and report directly to the board.	Management of operations

Model/Board Type	Description	Focus
Constituent representational	The board is made up of representatives from various constituencies. This approach is utilized with publically elected bodies, which need to balance the interests of the overall organization with those of its constituents.	Constituent interests
Traditional	The board governs and oversees operations through committees but delegates management functions to the CEO. Committees are used to process information for the board and sometimes do the work of the board. The CEO often reports to the board through the chair.	Governance
Results-based	This type of board is focused on setting a direction for the organization and getting the best results for the money invested. The CEO is a non-voting member of the board, carries substantial influence over policy making, and is viewed as a full partner with the board. Committees, organized around board responsibilities and lead planning, would guide governance, and monitor and audit performance of the board, executive director and organization.	Governance
Policy governance	The board delegates authority to the CEO within policy guidelines (“ends”). The CEO has broad freedom to determine the (“means”) that will be implemented to achieve organizational aims. The CEO reports to the full board. The board does not use committees but may use task teams to assist it in specific aspects of its work. Most widely known is the Carver Model.	Governance
Fundraising board	These boards are primarily focused on fundraising. Members are directly involved in various aspects of fundraising. It may incorporate aspects of the above board types but the focus is fundraising.	Fundraising activities
Advisory board	The primary role of this board is to provide assistance, advice and support	Advice and connections

Model/Board Type	Description	Focus
	to the CEO. Its governance responsibilities are nominal and primarily rubber-stamps CEO-recommended budget and plans. Typically board members are recruited to add credibility for fundraising and public relations purposes.	

Source: Gill, M. D. (2005). *Governing for Results: A Director's Guide to Good Governance*. Victoria: Trafford Publishing.

2.2 Carver Model

Some members of the VWCA are very interested in the Carver Policy Governance Model. Due to this interest, further research was conducted on this model for the benefit of VWCA and to inform the recommendations section of this project.

The Policy Governance Model (Carver & Carver, 1996) was developed by John Carver in the 1970's and is amongst the most well-known non-profit governance models. It is a complex model best described as "developing your policies according to the principles of the model, then consistently using these unique documents according to those same principles" (Carver & Carver, *Reinventing Your Board*, 2006, p. 3).

The model is not a traditional governance model but "an approach to the job of governing that emphasizes values, vision, empowerment of both board and staff, and the strategic ability to lead leaders" (Carver J. , 2001, p. 3). This isn't a simple and easily understood concept. Many of the descriptions used for the Policy Governance Model describe the various aspects and tenets of the models such as principles, ends, means and policies. Carver's Policy Governance Model a registered trademark. Further, Carver has written over 200 articles, books and other publications, on the subject and created the Policy Governance Academy which trains consultants in the model. He also has a website dedicated to being the "authoritative website" for the model.

Carver often describes his model as a paradigm shift in that the key components of the model are policies developed in four areas:

- *Ends: The board defines which human needs are to be met, for whom, and at what cost. Written from a long-term perspective, these mission-related policies embody most of the board's part of long-range planning.*
- *Executive Limitations: The board establishes the boundaries of acceptability within which staff methods and activities can be responsibly left to staff.*
- *Board-Staff linkage: The board clarifies the manner in which it delegates authority to staff as well as how it evaluates staff performance on provisions of the Ends and Executive Limitations policies.*

- *Governance process: The board determines its philosophy, its accountability, and specifics of its own job.* (Carver J. , 2001, p. 3)

Carver (Carver & Carver, 2006) further explains there are ten basic principles on which his model is built (see Appendix C for the complete Principles of Policy Governance). The first three principles define the ownership of the organization and who the board is acting on behalf of, the board's accountability to it and the board's authority. The next four principles outline the boards operating policies in writing – ends, means, executive limitations and policy size. These explain the benefits that should come about from the organization, how the board should conduct itself, the limits to acceptable staff behavior and the degree of delegated authority. The last three principles summarize the board's delegation and the Chief Executive Officer (CEO) performance evaluation.

Carver (2006) is clear that for a board to be practicing the model, they need to apply all of the principles of the Policy Governance Model in its process and decision-making. If a board applies fewer than all the principles, it weakens the model's effectiveness as a system (Carver & Carver, 2006)

2.3 Board Effectiveness

Research for the literature review was also conducted on board effectiveness and organizational effectiveness. Not only is it important to have an effective board, this can impact the effectiveness of the organization.

A significant amount of the research reviewed in the area of board effectiveness points to a number of practices, characteristics and the frequency to which these are applied. Examples of “commonly accepted “good practices” are meeting procedures, decision making, delegation and accountability” (Bradfield Nyland Group, 2011, p.2).

Bradshaw, Murray, and Wolpin (1992) found that board involvement in strategic planning was one of the most important characteristics of an effective board. Use of good meeting management techniques, a common vision, involvement in day-to-day operations, and avoidance of board-staff conflict were also important characteristics of an effective board. While there is certainly support in the normative literature for these characteristics, the measures of board practices, board performance, and organizational effectiveness that were researched in their study were based on one respondent for each organization (i.e. a Chief Executive Officer role). It is difficult to know how attributable these are in reality or is it simply a common judgment. However, the one departure from normative literature was the involvement in day-to-day operations. Typically a board has limited involvement in daily operations and focuses its time and energy on policy development and application as well as the strategic orientation of the organization. The emphasis on the role of strategic planning supports Carver's (2006) argument that strategic planning is critical to an effective board.

A little researched area related to the area of strategic planning and board governance is risk assessment. Given the issues over the past few years with the dishonest governance practices faced by corporate as well as nonprofit boards, it is important that nonprofit organizations include managing key risks in their strategic planning and governance processes. Organizations should “implement a process that is designed to attain long term goals while managing those key risks that prohibit the organization from attaining its mission” (Matan & Hartnett, 2011, p. 13).

Herman and Renz (2000) concluded that a set of “correct” management practices were related to board effectiveness. These can be found in Table 2.

Table 2: “Correct” Board Practices

Nominating or board development committee
Board profile
Nominees interviewed
Written selection criteria for board members
Board manual
Orientation for new members
Written policy about attendance at board and committee meetings
Written policy on dismissal for absenteeism
Absenteeism policy enforced
All board members have office or committee responsibility
Agenda distributed prior to meetings
Annual board retreat
Executive committee of board
Written policy specifying roles and powers of executive committee
Collective board self-evaluation
Board self-evaluation results distributed and used
Evaluation of individual members
Members receive feedback from individual evaluations
Written expectations about giving and soliciting
Board meets expectations about giving and soliciting
Board process for CEO appraisal
Limit on number of consecutive terms for board members
Recognition of retiring board members
Board uses consensus decision making(not part of board practices index): almost always, usually, sometimes, almost never
CEO role in board nominations (not part of board practices index): CEO official member, participates fully; not official member but participates fully; not official member, provides suggestion or reactions when asked; not at all involved

Source: Herman, R., & Renz, D. (2000). Board Practices of Especially Effective and Less Effective Local Nonprofit Organizations. *The American Review of Public Administration*, 30(2), 146 - 160.

As Herman and Renz note (2000), board self-evaluation, written expectations about giving and soliciting contributions, and the CEO’s role in board nominations were determined to be utilized more frequently by effective boards. These practices were still utilized by less effective boards but seen more frequently in effective boards.

An interesting finding was the research methodology to define “board effectiveness”. The methodology relied on perception by the Board or CEO of board effectiveness, which was then used to rate performance (Herman & Renz, 2004). In addition, they included another layer which was perceptions of external stakeholders in board effectiveness. Carver feels this is a flaw in research methodology and a more effective measure would be perception from the members of the communities or services the non profit organizations serve (which Carver refers to the “ownership”). As he admits, while this sounds simple, designing a research methodology is not (Carver J. , 2006).

2.4 Organizational Effectiveness

Organizational effectiveness is the concept of how effective an organization is in achieving the outcomes the organization intends to produce (Etzioni, 1964). While it appears that board effectiveness and organizational effectiveness are related, it does not appear there is a causal link and that board effectiveness leads to organizational effectiveness (Herman & Renz, 2004). However, Jackson and Holland (1998) found that board effectiveness appears to make a “fundamental difference in organizations they govern” (p.176).

As with board governance models, there are a number of different organizational effectiveness frameworks. Table 3 outlines the most common approaches to organizational effectiveness.

Table 3: Approaches to Organizational Effectiveness

Approach	Definition	Condition For Use
	<i>An organization is effective to the extent that.....</i>	<i>The approach is most preferred when.....</i>
Goal Attainment	It accomplishes its stated goals.	Goals are clear, consensual, time bounded, measurable.
System Resource	It acquires needed resources.	A clear connection exists between inputs and performance
Strategic Constituencies	All strategic constituencies are at least minimally satisfied.	Constituencies have powerful influence on the organization, and it has to respond to demands.
Competing Values	The emphasis on criteria in the four different quadrants meets constituent preferences.	The organization is unclear about its own criteria, or change in criteria over time are of interest.
Process	It has an absence of internal strain with smooth internal functioning.	A clear connection exists between organizational processes and performance.

High Performing Systems	It is judged excellent relative to other organizations.	Comparison among similar organizations are desired.
Legitimacy	It survives as a result of engaging in legitimacy activity.	The survival or decline and demise among organizations is of interest.
Fault Driven	It has been excellent relative to other similar organizations.	Comparisons among similar organizations are desired.
Ineffectiveness	There is an absence of characteristics of ineffectiveness.	Criteria of effectiveness are unclear, or strategies for organizational improvement are needed.

Source: Cameron, K.S., 1984, The effectiveness of ineffectiveness, in Staw, B.M. and Cummings, L.L. *Research in Organizational Behavior*, 6, JAI Press, Greenwich, CT, 235-85.

As has been pointed out in other areas regarding governance, there is no agreement in the literature on the measures to assess or common factors that contribute to organizational effectiveness. However, Bradshaw, Murray and Wolpin (1992) have indicated that an organizational vision is an important factor. As well as a board that shares a common vision and a CEO who is the primary source of that vision. Their research also showed that boards that were perceived to be effective in strategic planning, developing a common vision for the organization and utilizing good meeting management were seen to have a positive impact on overall organizational effectiveness.

Green and Griesinger (1996) found board practices that were strongly correlated with organizational effectiveness were policy formation, strategic planning, program monitoring, financial planning and control, resource development, board development and dispute resolution. The areas of policy formation as well as long and short-term strategic planning are consistent with the findings by Bradshaw, Murray and Wolpin (1992). The study by Green and Griesinger not only involved a questionnaire to CEOs and board members but interviews as well. The CEO questionnaire data indicated that boards of effective organizations were more involved in monitoring programs and services than boards of less effective organizations. The data indicated that boards of effective organizations were involved in assessing organizational performance and tended to have more contact with staff than boards of less effective organizations. However, the interviews indicated that the involvement of board members with staff members other than the CEO could cross a line between helping and meddling.

A study by Nobbie and Brudney (2003) brought a lot of the themes of this paper together and tested board performance and organizational effectiveness of boards using the policy governance model in non-profit organizations. The frameworks they reviewed in regards to organizational effectiveness were slightly different: goal achievement, financial viability and resource acquisition, internal processes, CEO job satisfaction and CEO effectiveness. The results indicate there is not a significant difference in the CEO's perception of organizational effectiveness or performance from one model to the next. However, they expressed satisfaction operating under a policy governance model as the autonomy and delegation

authorities are clear. Nevertheless, using a policy governance model does not guarantee organizational effectiveness or success.

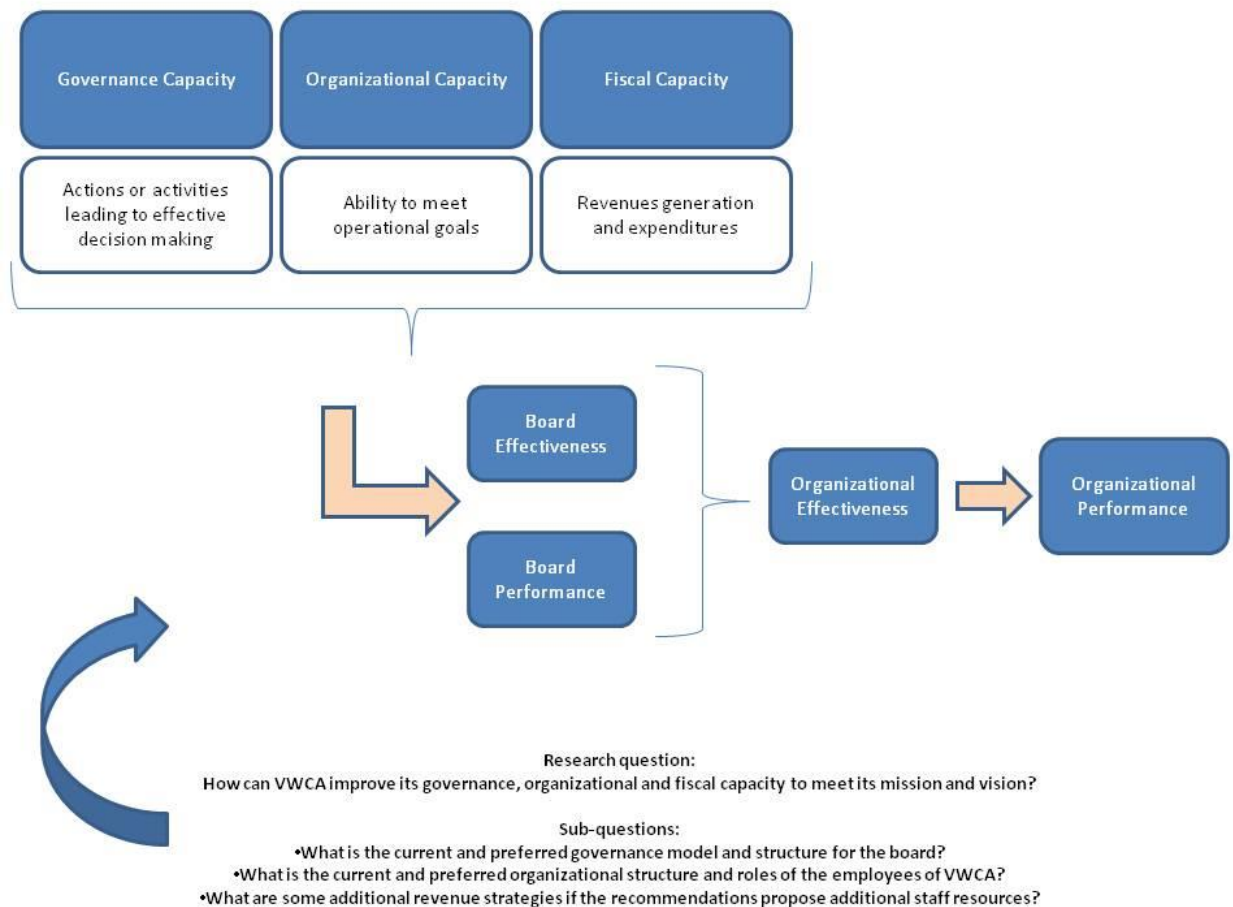
In conclusion, the literature review explored non-profit board governance models, board effectiveness and organizational effectiveness. There is not agreement in the literature that any model of board governance or organizational effectiveness is superior to another. The Policy Governance Model is currently being explored by VWCA and thus was a focus of the literature review. The research conducted on governance models, board effectiveness and organizational effectiveness will be utilized to develop a conceptual model. This will be used as a type of assessment criteria which together with the interviews conducted will provide recommendations on governance structure for VWCA.

3.0 Conceptual Framework

A conceptual model was developed to identify successful board characteristics and practices and what an ideal board would like in regards to governance, organizational and fiscal capacity. The findings from the literature review informed the conceptual model. The conceptual model guided the research in developing an ideal state for a community association board of directors and thus acted as a form of assessment criteria in order to form recommendations for the VWCA.

The conceptual model is illustrated in Figure 2. The figure outlines that governance, organizational and fiscal capacities are critical to board effectiveness, board performance, organizational effectiveness and thus organizational performance. Governance, organizational and fiscal capacities influence board effectiveness and board performance which influence organizational effectiveness and lead organizational performance. The research question and sub-questions form the foundation of the conceptual model and thus the research report.

Figure 2: Conceptual Model



Board effectiveness and board performance are achieved when all three capacities, governance, organizational and fiscal are present to a high degree. If one of these areas is missing, a board would not be effective or high performing. .

Board performance relates to how successful an effective board is in realizing the outcomes it has laid out for itself, i.e. through a strategic plan. The measurement to assess this would depend on the organization. Some examples are the aforementioned strategic plan or other examples such as organizational performance, community feedback, amount of board turnover, board member satisfaction and organization evaluations. Typically a highly effective board would also be deemed a high performing board.

A helpful measure of board performance is self-evaluation. In order to assess board performance, Bradshaw, Murray and Wolphin (1992) used a questionnaire with the following questions: satisfaction with board performance and a rating on board performance on seven board functions (i.e. fundraising, long-range planning and representing the organization's interest in the community).

Organizational effectiveness is the concept of how successful an organization is in achieving the outcomes the organization intended to achieve. It has been challenging for researchers to study effectiveness. Some objective measures used to for non-profit organizations have been: measures of success in obtaining financial and other resources for operations, internal efficiency in utilizes those resources to produce outputs and measures of goal attainment (Bradshaw, Murray, & Wolpin, 1992).

Organizational performance in this conceptual model is influenced first by governance, organizational and fiscal capacities, followed by board effectiveness and board performance and then organizational effectiveness. Bradshaw, Murray and Wolphin (1992) used four measures of organizational performance: effectiveness of the organization to carry out its mission, organization's reputation, change in the annual budget and size of any deficit incurred. It is critical for a non-profit organization to achieve organizational performance in order to justify its existence. Organizational performance would assume the organization is meeting its vision and mission as well as community and stakeholder needs.

The next section discusses the methodology for the data collection. The conceptual framework will be used as a filter to analyze the data.

4.0 Methodology and Methods

The deliverables for this project were a literature review, current state analysis, a comparative analysis and recommendations for VWCA regarding improved board effectiveness and governance practices.

4.1 Methodology

4.1.1 Case Studies

The purpose of a case study methodology examines a research question that seeks to explain a present circumstance and understand the “how” and “why” of a social phenomenon. (Yin, 2009). The use of case study as a methodology is preferred “in examining contemporary events, but when the relevant behaviors cannot be manipulated” (Yin, 2009, p. 11).

The case study is examining VWCA in its current state. “How” the organization functions (from governance, organizational and fiscal perspectives) and “why” its practices are what they are. A case study approach was chosen in order to observe the current practices of the organization in a real-life context and because the researcher had no control over or ability to manipulate activities or events of the association.

4.1.2 Gap Analysis

A gap analysis is a methodology that compares actual performance with potential performance (Weigelt, 2011). Weigelt (2011) states this type of methodology is:

Commonly used to assess a need for new projects, a new direction, or in response to an external threat. Although the process can be done in many different ways, it has two basic questions that must be answered: Where are we? Where do we want to be? (p. 255)

The conceptual model put forward a future state of VWCA that is a long-term sustainable organization. This was then compared with VWCA’s current state to form the gap analysis. In addition, VWCA’s current state was compared with the comparator organizations as a means to explore areas that VWCA could improve its practices.

4.1.3 Smart Practices Scan

A “smart” practice is one where a task or goal is accomplished in as cost-effective manner as possible (Bardach, 2012). Bardach (2012) explains that smart practices are adaptable to various conditions, have many operational features, and can employ similar but diverse ways to achieve their goals. The smart practices scan in this research project was conducted by analyzing and reviewing the comparator organizations for their smart practices. This identified opportunities, strategies or initiatives that VWCA could either leverage or undertake to ensure long-term sustainability of the association in as cost-effective manner as possible.

4.2 Methods

In order to form the recommendations, interviews with VWCA board members (current members and one former member) and comparator organizations were conducted. In addition, a document review was conducted on VWCA board material to analyze and understand the current state of the association.

4.2.1 Literature Review

There is an abundance of information available in the areas of board governance and the themes focused in the literature review – board governance models, board effectiveness and organizational effectiveness. The focus of the literature review was on the non-profit sector. The University of Victoria library databases as well as Google Scholar were searched using key words such as “board governance models”, “non-profit board effectiveness”, “non-profit organizational effectiveness”, “policy governance model”, “policy governance model and effectiveness”, “non-profit board best practices”, “organizational effectiveness frameworks”, and “non-profit board effectiveness organizational effectiveness”.

4.2.2 Key Informant Interviews

In addition to the literature review, qualitative information was gathered through key informant interviews. All participants were sent an email outlining the project as well as an informed consent form. Participants were requested to return the signed consent form before interviews were scheduled. The signed consent form was then reviewed with all participants prior to the interview commencing. Notes were taken by the researcher and interviews were taped using an audio recording device. Two groups were interviewed:

- Group 1: Consisted of members of the current VWCA board and one former board president (and long standing board member).
- Group 2: Consisted of individuals from comparator organizations.

For Group 1 (VWCA), seven interviews were conducted with current and one former board member from VWCA (see Appendix D for a list of the questions that were asked of Group 1). Six were current board members and one was a former board member who was a former president and long serving board/association member. She was involved with opening VWCC and given her lengthy ties to the association it was believed that her opinion on where the association needed to go would be helpful.

The purpose of the key informant interviews was to gather information from board members on how they thought the governance practices, organizational structure and finances could be revised as well as gain an understanding of the operational, management and strategic planning aspects of the organization. Participants were chosen based on their roles on the board and the effect a new governance model would have them on. For example, the treasurer was interviewed as he had detailed information on the finances for the association. Another participant was the director who is responsible for the oversight of the Centre. All interviews

were conducted in person. The questions were based on governance practices, organizational structure and finances.

For Group 2 (comparator organizations), four interviews were conducted with individuals from comparator organizations (see Appendix E for a list of question that were asked of Group 2). Three were executive directors and one was a president of the board of directors. A total of seven participants were contacted and after numerous emails and phones calls, only four interviews were conducted. The purpose of the key informant interviews was to gather information from board members and staff on governance practices, organizational structure, successful practices in funding for community associations as well as the strategic, operational and management aspects of the organizations.

Participants were chosen based on the positions they held with the comparator organizations. These were identified by VWCA as Oaklands Community Centre, Fernwood Neighborhood Resource Group and Fairfield Gonzales Community Association. The contact information was accessed through a publicly available web link on the City of Victoria's website (Community and Senior Centre Contacts). All interviews were conducted in person. The questions were based on governance practices, organizational structure and finances.

4.3 Document Review

A document review was conducted on VWCA board materials to analyze and understand the current state of the association. The following documents were reviewed:

- Victoria West Community Association Preliminary Budget 2013-14
- Victoria West Community Association Financial Report for Year ending October 31, 2013
- Victoria West Visions Map, 2005
- Victoria West Community Association and City of Victoria Feasibility Study for Facility Management of 521 Craigflower Road, February 2010
- Victoria West Community Association Strategic Plan II, December 2010
- Report from the Victoria West Community Association Planning Retreat, October 2011
- Victoria West Community Association Community Centre Manager Recruitment/Vacancy Advertisement and Organization Chart, February 2012
- Strategic Plan to end of 2011 (under review April 2012)
- Victoria West Community Association Purposes, April 2013
- Victoria West Community Association website
- Job descriptions for the following roles: President, Vice President, Treasurer, Board Secretary, Past President, Committee Chairperson, Committee Member and Director Roles and Responsibilities
- Terms of Reference for the following: Executive Committee, Communication Committee, Community Centre Committee, Community Project and Capacity Building (Outreach), Community Projects and Events Committee, Food Security Collective Project,

Governance, Harbour Committee, Land Use Committee, Parks & Environment Committee, Transportation Committee and Nominating Committee.

4.4 Data Analysis

Upon completion of the interviews, the responses were compiled into one document and organized according to themes. While the original proposal focused on developing a governance model (board and organizational structure) for VWCA, it became clear through the interviews with board members the focus needed to be on board effectiveness and governance practices.

Once the common themes were identified from the interviews and document review, they were compared with themes also found in the literature review. There was particular interest from VWCA on focusing on a particular governance model, the Policy Governance Model by John Carver. As a result, further research was conducted on the Policy Governance Model and incorporated into the literature review.

Information gathered through the interviews, document review and literature review was then synthesized into a conceptual framework as a means to analyze and filter the recommendations. It was important that as VWCA is a non-profit organization, the recommendations be realistic and achievable given current resources. These recommendations are made with an eye to the future and a governance framework that will allow VWCA to achieve their vision, mission and goals.

The next section provides the key findings from the data collection tools outlined in this section.

5.0 Findings: Interviews with VWCA Board Members

Interviews were conducted with six current board members and one former board member from VWCA. Six were current board members and one was a former board member who was a former president and long serving board member in addition to an association member. The purpose of the key informant interviews was to gather information from board members on how they think the governance practices, organizational structure and finances be revised as well as gain an understanding of the operational, management and strategic planning aspects of the organization.

The findings in this section are organized by governance practices, organizational structure and finances.

5.1 Governance Practices

The current governance model being utilized by the VWCA is an operational board, commonly referred to as a working board. As defined in Gill (2005) this type of board does the work of the organization and manages as well as governs it. A volunteer board performs some of the operational aspects of the association. One board member commented that while the board

was currently functioning as a working board that was not necessarily the long term governance model for the association. The Board is comprised of 12 positions:

- President
- Vice President
- Treasurer
- Secretary
- Director, Land Use
- Director, Harbour
- Director, Parks and Environment
- Director, Governance
- Director, Communications
- Director, Events
- Director, Transportation
- Director, Community Centre

Not all the positions are filled every year and board members commented that it is not uncommon to lose a board member throughout the year before the first term is finished. This is often due to burn out or an inability to maintain the level of commitment required of a board member under this current governance model. There are only a few board members that have served more than two terms. Typically the Past President holds a position on the board; however that individual served their term last year and has returned to be a board member.

The association employs three regular and some casual employees that are focused on Centre operations. The Community Centre Manager reports to the President of the VWCA Board of Directors. The Centre employees may do some administrative work for the association on an ad hoc basis but are considered employees of the Centre and not the VWCA.

The role of the President of the Board is seen as a full time role and is a particularly time intensive position as is the Treasurer position. One board member said: “the Board relies heavily on the president and treasurer.” Another board member commented: “the President role is problematic as it’s a part-time job and needs someone that has lots of availability”. Both of these comments were echoed by other board members. The President not only oversees the Board executive, Committee of the Whole, and board meetings but is an *ex-officio* member of a number of committees and is responsible for the Centre through the Manager. In addition, the role is also the: contact person for all media and community inquiries; liaison with the City and the Capital Regional District (CRD); responsible for planning meetings and speakers, and operates as the *de facto* executive director. The Treasurer position is time intensive due to responsibilities for the bookkeeping for the association as well as maintaining the financial statements and records for the association.

There is a high level of interest in shifting to the Policy Governance Model for board governance. The Governance Committee had been reactivated which has not been active for some time. The Feasibility Study for Facility Management of 521 Craigflower Road (Study),

completed by the City and VWCA, mentioned that VWCA operates under the Programmatic Model of Governance which “Board members working on behalf of the organization as both Board and policy volunteers reporting to the Chair of the Board”. (February 2010, p. 15) The Study recommended that the Board maintain this model and that “the Policy Model of Governance typically is not utilized by smaller organizations with few staff” (February 2010, p. 15).

In regards to strategic planning, one Board member said: “strategic planning is significantly lacking”. The VWCA Visions Map was created in 2005 and guided many of the projects and initiatives for the association. It is still referred to today by a small number of Board members with a belief that it needs to be updated with community input. A strategic plan was accepted by the association in December 2010 for 2011-2012, it was under review in April of 2012 but has not been updated. It did not involve the community which has caused issues for the association. A “re-visioning” session was held in January 2013 which further clarified the VWCA Purposes as outlined earlier in this paper. However, there was no follow up from this meeting where specific goals were developed to ensure long-term sustainability of the association.

Since there is no updated strategic plan guiding the work of the Board, there is no review or reporting against a plan at board meetings and no actions with specific accountabilities or deliverables. As a result, many Board members said a lot of resources last year were focused on topical issues rather than association management. Comments included: “Topical issues shouldn’t drive the association” and, “All energy and focus shouldn’t all be focused on topical issues”, as well as, “Lots of time was spent on topical issues like sewage and sludge”. Board members indicated that many topical issues could have been handled by a committee (i.e. land use) rather than the Board.

Different leadership styles of board members (exercised and preferred) emerged as a theme from the interviews. Some board members seem to subscribe to a delegation style, leaning more towards a laissez-faire style where delegation is utilized frequently. Other board members prefer a more command and control style which is hierarchical but accomplishes tasks. And others prefer a democratic-consensual approach. This has led to tension amongst board members and contributed to different “visions” of what the Board should be.

A number of board members expressed concern about the sustainability of the association given the time commitment for some positions. It was assessed that many board members put in 20 or more hours a month. The time commitment for positions is included in the board job descriptions. The minimum time commitment for the President and Treasurer is 25 hours per month, the Vice-President is 15 hours per month, the Secretary is 15-20 hours per month and the Past President and Directors are 10 hours per month. As board members are volunteers, their time and expertise must be used effectively and if not, they may be subject to “burn out”. A number of common themes expressed by board members in this area were: the amount of time spent in meetings; the need for good meeting management techniques, and better use of and more volunteers.

The number of meetings for this working board is high. There are monthly executive, Committee of the Whole and Board meetings. Each director is responsible for chairing and actively participating on at least one committee. This would appear to be a minimum of four hours per month in meeting attendance alone, depending on meeting length. These are in addition to meeting preparation, discussions with community and staff members as well as follow up reports and actions. In the job descriptions, only the Director description noted the 10 hours included meeting preparation time as well as Board and Committee meeting time.

Many board members expressed concern in not only who attends committee meetings but what discussions and decisions are put to the Board. For example, it was repeatedly mentioned that not all discussions that are currently taking place at Board meetings are necessary. Committee discussions are taking place at the Board level and it was too detailed of information for the whole board to be discussing when it could be addressed at a committee level. In addition, many board members are also committee members. Given that the President is an *ex-officio* member of most committees, this would contribute to the time intensiveness of the position.

A small number of Board members expressed their views that the roles and responsibilities of directors need to be reviewed, especially committee decisions that need to be made versus Board decisions. It was articulated that committee chairs should have the authority to make decisions regarding their portfolio or it should be made clear what committee decisions need to be made at the Board level and why. One director asked, "Do all directors need to be involved in all committee decisions? Committee chairs should have authority to make decisions for their portfolio." In addition, many Board members said the committees needed to be reviewed and a decision made as to whether they were still valid and reflective of community needs.

Respondents also noted that meeting management techniques require improvement. It was said that agendas and conversations need to be more efficient at Board meetings. Agendas are typically prepared for meetings but Board meetings are not always as focused as they could be. Further, Board member reporting is not consistent. Many Board members distribute reports and updates prior to meetings while some still provide verbal updates which increase the length of meetings.

Another issue that was raised by nearly every board member was the use of volunteers. Concern was expressed that the association in its current format is not sustainable unless more volunteers are involved. Recruiting more volunteers would reduce the workload amongst the Board members and create a pool of future Board members and committee chairs. Of note, there was conflicting information provided regarding volunteers. One board member said that Board members need to understand how to use volunteers. Another Board member said most individuals of the community or association, "Were only interested in issues that personally affected them" (i.e. harbor and land use) rather than a commitment to the association as a whole. Another board member said, "When people sign up for membership, [they] show interest but not a lot of follow-up [happens]". A large number of volunteers have expressed interest and a list of volunteers resides with another Board member. Another Board member said their colleagues need to be more active in getting people involved.

Two committees serve as successful examples of how to use volunteers for VWCA: the Land Use Committee, and the Harbour Committee. The time commitments of volunteers are clear, individuals have a purpose, volunteers are appreciated for their commitment and meetings are well run. The community gardens and urban farmers would also be examples of volunteer commitment and long-term success for the association. While there is a difference between volunteers doing association business (i.e. participating on a committee) and volunteers as Board members, formal Board recruitment may be harmed by complaints of burnout by current and former board members and by conflict over meeting management, decision-making and leadership styles.

Some issues were raised in regards to tension amongst Board members. A summer event, Swim Fest, which takes place in Victoria West, was brought up as a concern regarding VWCA's role. Questions remained regarding liability for VWCA and allocation of staff and facility resources. A lack of clear communication or decisive action was not taken which led to tensions between Board members.

Board members seem to work well together for the most part, as one Board member commented, "The Board enjoys being together and there needs to be a balance between being tight and too focused on due diligence and fiduciary role". However, Board conduct and respectful dialogue were recurring themes. Descriptions such as "uncomfortable" and "tense" were given in regards to some board meetings as well as communications outside board meetings.

5.2 Organizational Structure

When the Centre opened in 2010, initially it hired an experienced recreation coordinator. This allowed the Centre to open with a limited range of programs. After the Centre had operated with one employee for a year, some organizational structure changes took place and a manager was hired April 2012. Currently, the Centre employs three regular employees. The Centre employees do some administrative work for the association from time to time.

While it did not appear Board members assessed that the staff roles needed to shift, comments were made regarding needing to better define the role of the Centre Manager as well as the interactions with the Board. Initiative shown by the Centre Manager is appreciated; however a small number of Board members said that at times they would more information on some initiatives and projects. There appears to be concern amongst Board members as to the reporting relationships as many feel they cannot deal directly with the Centre Manager and need to go through the President which leads to communication issues. Many commented that the official reporting lines are taken too literally and other Board members should still have open lines of communication with the Centre Manager for board business. It should be noted that many Board members commented on how well the Centre is run, the success of programs, increased revenues and the initiative showed by the Centre Manager and the other employees in running the Centre.

Every Board member assessed that additional staff is needed; specifically an executive director to manage the association. The majority of the board also mentioned the need to hire a bookkeeper. The challenge faced by the Board is securing the funding for these positions.

Respondents indicated the executive director position would allow the association to do what is needed to accomplish its goals as well as allow the Board to focus on more strategic oversight of the association. Many of the responsibilities and tasks being done by the President would be shifted to this role such as funding, budgeting, grant writing, human resources and facility management. In addition, this type of position would allow the Board to move to revised governance structure, such as the Carver Policy Governance Model rather than a working board.

Over the last few years, bookkeeping demands have increased as the revenues have increased. The budget was \$4,000 before the Centre opened and now is \$250,000. The Treasurer is responsible for the bookkeeping and producing the financial statements. Bookkeeping consumes the Treasurer's time when he could be focused on the strategic direction of the association. In addition, there does not appear to be a finance committee which would be important from a succession planning as well as an audit perspective.

There is no consensus amongst the Board members as to the role of an executive director or which position (between the executive director and bookkeeper) was a priority over the other. The role of a bookkeeper is clear but there are differing views as to whether it should be part time or full time and/or focus on finances or also undertake general administrative tasks. Some Board members said the executive director was a priority, others said the bookkeeper was a priority. Much work is still needed in those areas in order to get a clear picture of the priority, what is needed of both roles, as well as where the funding would come from whether they be employees of the association or contracted resources.

5.3 Finances

Certainly VWCA has come a long way in the financial area. The Centre itself is profitable and the main sources of funding are programs, grants and room rentals followed by lower amounts in donations, interest and events. Program revenues have increased from \$45,000 in 2012 to \$94,000 in 2013. The association only receives 30% of this revenue as 70% goes to the Instructors delivering the programs. Apparently this is higher than the industry standard of 35-65%. VWCA currently receives three grants totaling \$77,780 which is roughly the same as the amount received in 2012. This funds the coordinator role, janitorial contracts and youth programming. Room rentals account for \$51,000, up from \$26,000 in 2012.

A large concern in the financial area is the lack of charitable status. VWCA has worked on this for a number of years. The VWCA Strategic Plan II included a target completion date of December 1, 2010. There seemed to be a number of reasons for the delay but it was mentioned by every Board member as an issue that needs to be resolved and as one Board

member said it, “Limits fundraising”. Charitable status opens up a number of opportunities including the ability to issue official donation receipts for gifts received, income tax exemptions, ability to receive gifts from other charities such as foundations, credibility in the community and potential exemptions or partial rebates related to the Goods and Services Tax (GST). As a result of these advantages, the CRA requires registered charities to follow certain rules and guidelines in order to maintain their registration (Canada Revenue Agency, 2009).

During the discussions regarding finances, a couple of board members said they thought the financial statements were confusing and not easily understood. Directors have a fiduciary responsibility to act in the best interest of the association and understanding the financial health of the organization is critical to the fiduciary responsibility.

Different responses were received from Board members regarding fundraising. Many commented that it is on hold until the charitable status is received. One member created a manual on the subject and gave it to another Board member until the charitable status is resolved. Another Board member said there needs to be a coordinated approach with, “All [the] Board involved and [it would] take a lot of energy and focus, i.e. two to six months work”. While another Board member stated, “They [the association] are in no position to raise funds” and don’t have the capacity or earmarks for anything (i.e. new playground). Another member feels the association needs to form a fundraising committee or hire someone. It would seem that the experience exists on the Board and the charitable status is needed to move forward.

One of the interview questions asked Board members whether other sources of funding are being explored such as social enterprise endeavors. Social enterprises are businesses or non-profit organizations, “Whose primary purpose is the common good. They use the methods and disciplines of business and the power of the marketplace to advance their social, environmental and human justice agendas” (Social Enterprise Alliance, 2014, p. What’s a Social Enterprise?). Many board members were not familiar with the concept therefore this area of funding has not been explored to any great extent.

Opportunities were brought forward by a few Board members related to property development activity in the area. Two developers are interested in allocating space for community activities and programs that could be managed and run by VWCA. Discussions have taken place with Roundhouse at Bayview Place and Dockside Green. These companies would pay for space, maintenance and upkeep and VWCA would provide staffing and programming. However, there is no capacity at the moment to undertake these initiatives.

6.0 Findings: Interviews with Comparator Organizations

Interviews with four individuals from three comparator organizations were conducted. To protect the anonymity of respondents, they are identified as organization A, B and C. The purpose of the interviews was to gather information from Board members and staff on the governance practices, organizational structure, best practices in funding for community associations as well as the strategic, operational and management aspects of the organizations.

6.1 Governance Practices

All three organizations have executive directors that report into their board of directors. All are employed by their community associations with one executive director more focused on the activities of the community centre than the association. Organization A and B both mentioned they operate under a Policy Governance Model. Organization C mentioned it functions under a more traditional approach where the Board governs and oversees operations via committees and delegates management functions to the staff. All the Boards are hands off operationally and the day-to-day operations are managed by the executive director. They delegate authority to run the organization with organization A mentioning a limited delegation of spending (\$5,000). The Boards are focused on strategic planning, forward progress, and governance.

The Board in organization A meets quarterly where they review and approve the budget, review annual financial results, and provides strategic oversight. The executive director provides a monthly report to the Board as well as meets with the President monthly to review any issues or concerns. The Board in organization B meets monthly except August and the executive director provides a monthly update at the Board meeting which is based on strategic plan goals.

Organization C has a traditional Board structure with committees for finance, parks, land use and strategic planning as well as others. The President of the Board is a member on every committee in order to have an overall view of the association.

Organization A seems to apply the policy components of the Policy Governance Model. Examples are: setting the delegated authority of the executive director, including financial spending; forming committees on an ad-hoc basis for specific purposes such as executive director performance review rather than maintaining standing committees and the executive director reports to the Board, rather than the President.

All three organizations have strategic plans and clear organizational directions. The executive directors are involved in strategic planning and in some cases assist in facilitating the process such as the community input. They are involved in the strategic plans for the Board and are responsible for implementing the strategic plan goals in the operations.

6.2 Organization Structure

Organization A operates social enterprises with diversified funding. It has 50 staff with diverse operations and ten different businesses. The large number of staff is due to a high number of

casual employees related to programs such as daycare and childcare. It runs a community centre with childcare operations and recreation programming, federal contracts, and provides building and room rentals for the community. The social enterprise components are affordable housing, commercial leases, a coffee shop and a hair salon.

It went through a number of organizational changes from a traditional organization structure with finance, programs and business development as its main functional areas to a flatter organizational structure focused on programs and business development areas.

Organization B has a traditional structure with a large social services component to its business operations. There are 23 employees reporting to the executive director with the four to five employees focused on the association and programs of the community association and 18 family and youth counselors which work on the social service contract.

Organization C also has a traditional organization with an executive director and six managers and coordinators. They are structured around programs, community development, early childhood, out of school care, facilities and community market/local economy.

6.3 Finances

Organization A started with childcare programs and a budget of \$30,000, now the consolidated revenue of the organization is \$2,000,000. Respondents commented that the organization has thoroughly assessed where the, "Profitable margins are across the organization and any profits are re-invested into the community". Respondents feel this is a more secure method of community development rather than grants. There is not a large profit left over after paying for salaries, facilities, equipment, insurance, and other business expenses and, "Any proceeds that are made from the non-profit are used to fund programs and community based initiatives such as affordable housing".

The organization does not like to rely on grants as they are not secure year over year and can lead to "mission drip" where the organization is at risk of determining its activities and programs based on the grant criteria rather than community needs. Respondents believe the terms of the grants can require effort delivering and managing the grant and there is little left over for the community or specific program. The organization runs community fundraisers but they are intended to be fun community activities rather than revenue generators for the association.

Organization B revenues are more traditional and the main sources of revenue are program fees, social services contract, facility rentals, sponsorship, events and donations. Facility rentals have been a source of income in the past but have decreased \$25,000 over the years.

To offset increasing association expenses, the Board brought in a Coordinator of Community Development to focus on fundraising and sponsorship. They also organize a gala fundraiser that includes a speaker, live music, silent auction and wine tasting. While the gala fundraiser may not be a highly profitable activity itself, it is hoped the corporate and community

connections gained from this will lead to increased revenue streams. Interestingly, this organization attempted some social enterprises on a small community scale and found only mild success. This is not a funding opportunity it plans to explore in the future.

When the executive director with organization C started, the budget was \$600,000 and now it is \$1,200,000. This organization said the, "Programs and activities for the organization are based on community needs". The main revenue streams are programs (including a daycare and out of school care), facility rentals, advertising, sponsorship, events and donations. Grant funding is utilized and the organization is trying to move away from it. While the executive director for this organization didn't think there was anything "special" they were doing on the revenue side of the business, it is clearly a successfully run community association. It offered to help VWCA with any advice or support it can offer.

Of note, all three organizations were clear that the program fee revenues do not cover staff costs nor is there a lot of margins in recreation programs, however, daycare and out of school care programs are profitable.

7.0 Recommendations to Consider

The interview questions and findings were structured around governance practices, organizational structure and finances. The recommendations are structured by governance, organizational and fiscal capacity.

VWCA has a long history of serving the community and evolving over time. It has developed a successful community centre in a short period of time. It faces new opportunities as charitable status will open the way for fundraising. There may be offers made for new revenue and venues as part of property development in the area. The association Board members clearly see the need to change for the long-term viability of the organization. By applying some of the recommendations outlined below, VWCA can be placed on stronger footing moving forward.

7.1 Governance Capacity Recommendations

The key governance recommendations are in the areas of strategic planning, operational and working board, leadership and board education, good meeting management techniques, board conduct, volunteers and fiscal literacy training.

7.1.1 Recommendation 1: Develop a Strategic Plan

VWCA needs to make strategic planning a priority. The last one was updated in 2012 and a lot of the activities are likely still applicable as some target completion dates are still unfulfilled. A strategic plan is a large undertaking but time needs to be set aside to do this process with community input. Whether VWCA updates the most recent Strategic Plan II or creates a new document, some key components are: assessing current reality, a vision of where the organization wants to be, a description of how the organization will get there and a feedback loop with an evaluation of the plan.

Some effective tools to assess current reality are an environmental scan and a SWOT analysis. The importance of this step is to understand current reality before looking at a future vision. These were conducted in at a Special General Meeting held in March 2013. The resulting outputs were the Purposes document. While this is an important process, a few more steps are needed in order to develop a long-term strategic plan for the association.

A visioning process to assess where the organization and community wants to be in the future is needed. It is critical that the community is involved in this process. VWCA developed the Visions Map in 2005 so an update is needed. Organization A mentioned in the interview findings, that they held a Courtyard Café (also known as World Café) type event for community input. The major themes emerged were: commercial neighborhood activity, affordable housing and food security. This type of activity provides a mechanism for a large group of people to have conversations around themes or topics of interest (i.e. what are the top three priorities for the VWCA? What are some issues that need to be addressed in the community? etc.). It is likely organization A would provide more information on how they conducted this event if VWCA is interested.

After some type of visioning activities, actions need to be created that bring together the current reality and vision. This would move VWCA from inputs (i.e. the results of the Special General Meeting) to an assessment of resources (financial and human resources) and develop some concrete goals that would allow them to meet long-term sustainability. These are typically “objectives” with “indicators” that identify when a desired result has been achieved. This type of a document is important to guide the activities of the Board and the association. It needs to be reviewed and reported on regularly. Ideally the monthly updates from all Board members would revolve around the strategic plan. After the visioning and current reality activities, VWCA could look at whether the strategic activities from the Strategic Plan II are in fact still relevant or need to be revised.

Finally, some type of evaluation of the strategic plan is needed. This typically happens semi-annually, annually or sometimes even quarterly depending on the organization. This allows an organization the opportunity to report out on what’s it achieved and review the actions to ensure they are still relevant. Since this will be a new strategic plan for VWCA, if it’s not going to be part of the monthly Board meetings it is recommended this evaluation takes place quarterly to ensure the strategic plan maintains its currency amongst the Board members.

7.1.2 Recommendation 2: Continue as Operational/Working Board

A governance model is important so an organization understands who makes what decisions when and the role of stakeholders. This is not clear for VWCA and work is needed in this area as it is creating tension between Board members (i.e., When can directors make committee decisions?) as well as between the Board and staff. Currently VWCA is a working board. Given the other priorities that VWCA is facing, it is recommended it stay as a working board at this time. If more employees are hired by the association to assist with administrative and operational tasks, the organization may want to move to traditional governance model where the Board’s focus is governance, policy and strategic aspects of the organization rather than running an operation. It is not recommended this is undertaken until additional staff is hired.

There was specific interest from a small number of Board members regarding the Policy Governance Model. It is not recommended as a priority at this time as it is a time consuming and complex model to implement. There are some fundamental priorities that need to be addressed by the organization, such as strategic planning. Carver (1996) is very clear that organizations with no or few staff can still utilize the Policy Governance Model with some adjustments. Many of the components of the Carver model would be beneficial for VWCA such as Executive Limitations, Governance Process and Board-Staff Linkage, however Carver is also clear that until an organization is ready to use the Policy Governance Model in its entirety, it should continue to govern as it always has.

If the Board is still interested in pursuing the Policy Governance Model then it should look to a strategic plan for hiring an executive director as a first step. In addition, a number of references can be found throughout this report with the full information on various articles and books in the Reference section. *Reinventing Your Board* (Carver & Carver, 2006), first published in 1997

and revised in 2006 has a resource (appendix) at the end of the book with a sample board policy manual. In order to help organizations develop their Policy Governance Model, *The Board Members Playbook* (Carver & Charney, 2004) was written by John Carver's wife and one of his principle trainer/consultants of the model. It contains sample worksheets, policies and introduces the concept of Board rehearsals to build skills.

More than looking at a new governance model, VWCA needs to set clear boundary definitions for staff, stakeholders and the Board. For example, to what extent the Centre Manager can make decisions related to finances, facility and programs, to what extent directors can make decisions related to their committees.

An important tool for any Board to complete is a self-evaluation. This was referred to in the literature review as a tool utilized by high performing boards and correlated with organizational and board effectiveness. It helps boards to, "Identify strengths and weaknesses in governance structures and processes and to suggest priorities for further attention" (Gill, 2005, p. 148). A simple and effective tool called the Board Effectiveness Quick Check (Gill, 2005, p. 167) should be completed by VWCA (see Appendix G). In addition, the author also provides a Director's Self-Evaluation Checklist (see Appendix H) (Gill, 2005, p. 149). It is recommended that these tools are utilized by VWCA.

A process should be determined for how the results will be distributed and used. It is recommended that all Board members (directors and executive) complete both self-evaluations. The Board Effectiveness Quick Check should be completed and discussed as a group. The Director's Self-Evaluation Checklist should be completed by directors and executive and either discussed individually with the President or as a group.

7.1.3 Recommendation 3: Determine Leadership Style

The leadership of the board will be critical in the continued success of the organization. Some important priorities for the association moving forward are creating a strategic plan; agreeing on a governance model; determining the leadership style, and agreeing on a focus of the Board.

As was mentioned in the findings section, there are different leadership styles on the Board. It is recommended the Board members discuss the leadership style they would prefer. Some Board members would prefer more delegated authority to make committee decisions and manage issues related to their committee without members or the executive committee involvement. If this is not resolved, it could lead to serious conflicts.

The Board should attempt to focus on all five of its purposes equally and not focus on one to the detriment of the others. The research findings suggest that a larger portion of time was focused on topical issues, mainly in the environmental area. If environmental matters are going to be an issue in the future, perhaps an environmental association could be formed by a few committed members (not necessarily VWCA members) that would be outside of any VWCA activities. Another option would be for VWCA to form a sub-committee to manage these issues. Either

way, the group or sub-committee could liaise with the land use or parks and environment committees so the association is abreast of activities.

Included in leadership is also ensuring Board member training and development so Board members understand their roles. While Board members are already pressed for time, this training is critical to the discharge of their duties. It is recommended that a plan is created that includes allocating time and resources for Board members to take training. Local organizations like Volunteer Victoria or the Victoria Chamber of Commerce will offer courses like these that are affordable for non-profit organizations.

7.1.4 Recommendation 4: Practice Good Meeting Management Techniques

One of the issues that seems to be creating tension for the Board is the perceived lack of good meeting management techniques. It would appear that agendas are being made and sent out before meeting, which should be acknowledged as a “good practice”. A theme that was covered repeatedly in the interviews was that at some meetings many directors are providing verbal updates. Board members should be providing written reports (preferably based on strategic plan objectives) in advance of meetings. The meeting could then focus on discussing issues and making decisions, rather than updating.

Documentation is an important meeting management technique. Some Board members commented that Board minutes were not formal enough. All Board meetings need to be documented; a record of decisions and discussion should be made and distributed to Board members after meetings. In addition, Board meeting minutes should be formally documented as association members have the right to ask for open meeting minutes at any time and ideally these should be posted to the internet site for association members to view. Again, the Board needs to decide how formal they want minutes to be.

7.1.5 Recommendation 5: Ensure Appropriate Board Conduct

Board meetings should be based on open and respectful dialogue. No Board members want to attend a meeting where there is tension and conflict. It is uncomfortable for all involved and not a productive use of time. Through the interviews, it was learned that while there appears to be some issues at Board meetings, this is an issue related to Board conduct in general. Board members need to bring issues forward for discussion in an open and honest way and not allow them to fester which could eventually turn in to a conflict.

However, at the same time, Board members need to respect decisions made by the Board. If board members do not agree with those decisions then they need to find an appropriate method to deal with them such as discussing with the President or Vice-President. With the exception of a mediator or facilitator brought in for a specific purpose, involving individuals that are not Board members in Board business is not appropriate. This includes all activities and functions related to the Board including but not limited to meetings, communications (written and verbal) and decisions.

As it would appear there is conflict amongst members of the Board currently, an assessment of the issues needs to be undertaken. It was not clear through the interviews how wide spread the issue is but if the President is involved in an unresolved conflict with another Board member, an external mediator or facilitator should be brought in to address the situation. An important tool to help groups avoid conflict is a Team Charter. This is a team agreement that includes a team mission statement, values, code of conduct and roles and responsibilities (see Appendix F for more information from the National Managers' Community (2002)).

7.1.6 Recommendation 6: Improve Volunteer Recruitment and Management

It is critical from a succession planning and workload balance perspective that more volunteers are integrated into the association. This was raised by nearly every Board member during the interviews. A concern was brought up that most community members were only interested in issues that personally affected them (i.e. harbor and land use), however another Board member mentioned there is a list of individuals that are interested in being volunteers. It is recommended that the Board reviews their use of volunteers and brainstorms ideas on how to utilize volunteers. People volunteer if they feel there is a role for them and they can be of use. If Board members are going to get more members of the community involved, these questions need to be answered. Each committee chair should be responsible for recruiting three to four members for committees and having roles for each of these individuals.

7.1.7 Recommendation 7: Fiscal Literacy Training

It is critical that Board members have a clear picture of the finances of the association. While Board members are already pressed for time, some are in need of fiscal literacy training. Board members have a fiduciary responsibility to act in the best interest of the organization and this includes understanding the finances. Members of a board need to understand what are Centre revenues and expenses and what are other revenues and expenses of association so they can make informed decisions. Three recommendations regarding fiscal literacy should be considered by the association. First, an education session needs to take place amongst the Board members that do not understand the financial statements. Second, a review of the financial statements should take place to see if there is an easier spreadsheet to use. Third, create a plan that includes allocating time and resources for two or three members of the Board each year to take fiscal literacy training. Local organizations like Volunteer Victoria or the Victoria Chamber of Commerce offer courses like these that are affordable for non-profit organizations.

7.2 Organizational Capacity Recommendations

The organizational structure recommendations are in the areas of centre manager role, executive director role, bookkeeper role and Finance Committee.

7.2.1 Recommendation 8: Clarify Centre Manager Role

The Centre Manager reports to the President of the Board but it would appear the reporting relationship has been taken too literally in that all Board members must go through the President if work or questions arise. It is recommended that directors have direct access to the Centre Manager and if this becomes an issue, the Centre Manager then needs to discuss with the President. The President should be aware of what is being asked of the Centre Manager to ensure it is within scope of the job description, workload balance and overtime is not incurred.

It is important the Board is clear on the role of the Centre Manager. The role has a job description but as the Board and Centre Manager are both focused on operations, there is room for role confusion. It is recommended that clear boundaries are developed between the Board and Centre Manager regarding common areas such as the operations, the Centre, human resources and any other areas necessary. This would increase organizational capacity by reducing confusion and role overlap and thus increase the association's ability to function.

It should be noted as that the Centre Manager has played a large role in increasing program revenues and should be acknowledged for that.

7.2.2 Recommendation 9: Employ an Executive Director

Based on the information gathered in the interviews and documentation review, it is recommended that VWCA hire an executive director. Every Board member commented that the association needs an executive director type role. The administrative and leadership needs required of the association in terms of communications, letter writing, grant proposals, funding and overseeing a facility and staff is outpacing the current capacity of the Board. Through the interviews, organizations A, B and C all expressed that that a tipping point for hiring an executive director was size, ongoing programs that are operating on a fee for service basis (on a large scale) and a workload that cannot be sustained by volunteer Board. The challenge is ensuring there is ongoing funding to support an executive director salary for the association.

The recommendations for funding the executive director are as follows:

- set aside a portion of revenues towards salary;
- ensure all grants seek funding for administrative overhead (gardening, summer camps, etc.);
- ensure all grant resources are utilized but this should only be a temporary measure and not a dependency;
- once fundraising is able to commence, utilize fundraising money for initiatives and reassign monies that can go to an executive director salary;
- research and brainstorm opportunities for social enterprise (see Financial Recommendations section);
- consult with other organizations, organization C offered they could provide consulting advice as did organization A.

The salary for this type of position is not going to come from one funding source by itself. The salary will need to be sourced through various channels.

In terms of setting aside a portion of revenues towards salary, there also needs to be a review of programs to ensure cost benefit margins. Some of the more lucrative programs offered by the external comparator organizations were daycare and out of school/after school care programs. It is recommended that VWCA analyze the margins for these types of programs. The VWCA recreational and educational programs currently underway are not likely to provide enough funding for an executive director level salary. However, if the current program model stays the same, whatever revenues are left over can be put toward an executive director salary.

In terms of ensuring all grants seek funding for an administrative overhead, this is dependent on the terms of the grant. For ones that allow funding for staff, this should be added as a component to all grant requests. All grant opportunities should be explored as an initial funding source until more secure sources of funding can be confirmed. In addition, the “mission drip” concern mentioned by an executive director is of concern and VWCA needs to ensure it does not succumb to this. Gaming grant revenues were mentioned in the interviews and that is an area that needs further research and discussion at the Board level as to whether that is an area they are interested in pursuing.

Organization C offered contracted consultation advice to review VWCA revenues and suggest funding opportunities. It is recommended that VWCA contract this executive director before advertising for the role to ensure there is a mechanism for long-term funding as well as ensuring the job description matches the needs of the association. Once a candidate is hired, this executive director and the incumbent could review the financials for opportunities and brainstorm additional revenue sources.

Through the interviews as well as informal online research, it appears the salary range for this level of position is between \$50,000 - \$70,000 plus benefits and contributions to a Registered Retirement Savings Plan. If VWCA decides to undertake this level of position, more research is needed in this area.

It is also critical that the association is clear regarding the role and responsibilities of the executive director. Organization A shared the job advertisement and description (see Appendix I) used to hire the executive director. Organization B shared two sample executive director job descriptions (see Appendix J). This could serve as a starting point for developing a job description for an executive director role at VWCA.

Regardless of the new organizational structure, it is important that current staff is made aware of what the Board is planning. This report does not address whether current staff will transition to new roles or whether new positions will be filled from outside the organization. As strong relationships have been built between Board members and current staff, the Board should look first as to whether current staff can fulfill any new roles proposed.

7.2.3 Recommendation 10: Employ a Bookkeeper

It is recommended the association hires a bookkeeper. It is not sustainable for the Treasurer to continue to do the bookkeeping at this level. In addition, the Treasurer needs to focus on the strategic financial direction of the association. The association needs to determine where the funding is going to come from much like the executive director position. It also needs to determine if it wants a part-time bookkeeper or a position that would combine bookkeeping and administration.

If the association decides to maintain its current structure, another option to consider is contracting out services such as bookkeeping, grant writing, communications or any other services that require intermittent assistance.

7.2.4 Recommendation 11: Create a Finance Committee

Given that the current treasurer has been on the Board for four years already, at some point in the future he will likely step down. Typically the successors for that position would come from a finance committee. In addition, it would help to spread the workload of the Treasurer if a bookkeeper is not hired or until a bookkeeper is hired. It is important to have a Finance Committee to ensure there are checks and balances in the system. There is no concern of mismanagement but some type of audit function is prudent for any organization to have.

7.3 Fiscal Capacity Recommendations

The key financial recommendations are in the areas of charitable status, social enterprise funding and property developments.

7.3.1 Recommendation 12: Complete Charitable Status Process

It is critical for the association to complete the charitable status process. This has been a priority for the association for a number of years. If there is something holding up the process, the Board needs to understand what that is and set a deadline. As this report has outlined, there are a number of actions and activities that the charitable status depends on.

Once the charitable status is achieved, the fundraising campaign can begin in earnest. Opportunities are being missed or not taken advantage of while delays in getting the charitable status are occurring. A strategic plan is of critical importance to fundraising so it is clear what the “needs” of the association are. It is recommended that a fundraising committee is formed that can focus on a campaign and develop some fundraising goals that can be integrated into a strategic plan, as well as write grant applications. However, forming another committee will need to be balanced with the fact that Board members are already overburdened.

Through the interviews, it was learned that one Board member has a solid background in fundraising. This person created a fundraising manual that is now with another Board member and indicated willingness to undertake the fundraising portfolio. Typically this is one of the most

difficult positions to fill, if a member has experience in this area, the association should try to benefit from that as much as possible. It is also important for the association to be clear on what they are fundraising for – i.e. children’s toys, a new playground, a new kitchen or equipment and what a donor can hope to gain by donating to the association.

7.3.2 Recommendation 13: Research Social Enterprise Funding

Both organization A and B were clear that funding for staff salaries cannot be achieved through program revenues and social enterprise contributes a large portion of salaries. VWCA really needs to research and brainstorm ideas for social enterprise funding if they would like long term funding for an executive director. Organization A felt, “If the community was going to have these operations (café, hair salon and affordable housing) in their community, it might as well be run by the community association” who will put the money back into the community. Organization B has federal and provincial contracts in social services which add greatly to their revenues. Both organizations were clear that with any social enterprise activities, the expenses must pay for themselves.

7.3.3 Recommendation 14: Property Developments as Revenue Sources

The property developments of the Roundhouse at Bayview Place and Dockside Green are opportunities for revenue that need to be explored. The association at this time is unclear of the status as the developers have changed. The VWCA was in discussion with the previous developers regarding these developments offering space and funding for programming. The VWCA needs to be clear on not only what it can offer these developments in regards to programming and community development but what it would like from the developments in return, specifically regarding space and funding. Additional money should be added into any contract to help pay for staff so the organizational structure can support this long-term. Again, this is an opportunity for revenue generation but it needs to be managed carefully as it could potentially create more issues for the association down the road.

8.0 Conclusion

Community associations play an important role in improving the quality of life of the residents living within its neighborhood. They are formed by volunteers with an interest in offering neighborhood specific activities that provide affordable sport, culture and recreation programs and community events. These types of activities and events truly increase the quality of life and desirability of living in these neighborhoods.

Community associations are governed by various levels of government in terms of legislation, policies and funding. The provincial government provides legislation and regulation through the *Society Act* (1996) which gives an association the authority to manage finances and receive grants from governments and other funding sources. The municipal level provides funding and grants for association activities. The federal government allows for charitable status and the many advantages that provides.

A literature review was conducted which discussed the linkages between governance models, board effectiveness and organizational effectiveness. This research informed a conceptual model which acted as filter and assisted in developing the recommendations provided in this report. It is positive that VWCA is interested in other governance models, however to ensure the long-term stability of the association, it is important that fundamental functions of the organization are focused on first, such as strategic planning.

Association documentation, interviews with current and former VWCA board members as well as comparator organizations were conducted. The documentation review and interviews with current and former board members were important to understand the present state of the organization. The interviews with the comparator organizations were interesting and informative and provided an opportunity to learn the successful practices they were undertaking as well as see some of the potential for VWCA in the future. VWCA and the comparator organization are all at different stages of development and certainly lessons can be learned regarding long-term sustainable practices.

Based on the information from the literature review, responses from the interviews, and the documentation review, 14 recommendations regarding governance, organizational and fiscal capacity were made. The recommendations are tangible actions that the association can undertake over the next few years to increase its effectiveness and funding to ensure long-term sustainability of the association. While it is hoped that all recommendations are implemented, the priorities are strategic planning, increasing leadership capacity and board member development, ensuring fiscal literacy of board members, hiring an executive director, finalizing charitable status and researching social enterprise funding. Some of these recommendations are more involved than others; however they are important to ensure VWCA can continue to provide the valuable services it is currently providing to the Victoria West community.

References

- Bardach, E. (2012). *A Practical Guide for Policy Analysis : the Eightfold Path to more Effective Problem Solving* (4th ed.). Thousand Oaks: Sage Publications, Inc.
- BoardSource. (2012). *The Nonprofit Board*. San Francisco: Jossey-Bass.
- Bradfield Nyland Group. (2011). *Good Governance: Review of Literature and Initiatives*. Petersham: National Disability Services.
- Bradshaw, P., Murray, V., & Wolpin, J. (1992). Do Nonprofit Boards Make a Difference? An Exploration of the Relationships Among Board Structure, Process, and Effectiveness. *Nonprofit and Voluntary Sector Quarterly*, 21(3), 227 - 249.
- Bugg, G., & Dallhoff, S. (2006). National Study of Board Governance Practices in the Non-Profit and Voluntary Sector in Canada. Toronto, Ontario, Canada. Retrieved from Strategic Leverage Partners Web site.
- Cameron, K. (1984). The effectiveness of ineffectiveness. (B. Staw, & L. Cummings, Eds.) *Research in Organizational Behavior*(6), pp. 235-85.
- Canada Revenue Agency. (2009, April 16). *Advantages of registration*. Retrieved from Canada Revenue Agency Web site: <http://www.cra-arc.gc.ca/chrts-gvng/chrts/pplyng/rgstrtn/dvr-eng.html>
- Carver, J. (2001, Nov- Dec). The Policy Governance model. *Board leadership: Policy Governance in action*, p. 3.
- Carver, J. (2006). *Boards That Make a Difference : A New Design for Leadership in Nonprofit and Public Organizations* (3rd ed.). San Francisco: Jossey-Bass.
- Carver, J., & Carver, M. (1996). *Basic principles of Policy Governance*. San Francisco: Jossey-Bass.
- Carver, J., & Carver, M. (2001, Winter). Carver's Policy Governance® Model in Nonprofit Organizations. *Gouvernance - revue internationale*, 2(1), pp. 30-48. Retrieved August 28, 2013, from Carver Governance web site: www.carvergovernance.com
- Carver, J., & Carver, M. (2006). *Reinventing Your Board*. San Francisco: Jossey-Bass.
- Carver, M., & Charney, B. (2004). *The Board Member's Playbook*. San Francisco: Jossey-Bass.
- City of Victoria and Victoria West Community Association. (February 2010). *Feasibility Study for Facility Management of 521 Craigflower Road*. Victoria.
- Cornforth, C. (2001). What Makes Boards Effective? An examination of the relationships between board inputs, structures, processes and effectiveness in non-profit organisations. *International Conference on Corporate Governance and Direction* (pp. 217-227). Oxford: Blackwell Publishers Ltd.

- Cornforth, C. (2003). *The Governance of Public and Non-Profit Organizations What do Boards Do?* Abingdon: Routledge.
- Drucker, P. (1990). *Managing in the Non-Profit Organization*. New York: HarperCollins Publishers.
- Etzioni, A. (1964). *Modern Organizations*. Englewood Cliffs, NJ: Prentice-Hall.
- Gill, M. D. (2005). *Governing for Results: A Director's Guide to Good Governance*. Victoria: Trafford Publishing.
- Green, J., & Griesinger, D. (1996, Summer). Board Performance and Organizational Effectiveness in Nonprofit Social Services Organizations. *Nonprofit Management & Leadership*, 6(4), 381 - 402.
- Herman, R. D., & Renz, D. O. (2004). Doing This Right: Effectiveness in Local Nonprofit Organizations, A Panel Study. *Public Administration Review*, 694-704.
- Herman, R., & Renz, D. (2000). Board Practices of Especially Effective and Less Effective Local Nonprofit Organizations. *The American Review of Public Administration*, 30(2), 146 - 160.
- Jackson, D. K., & Holland, T. P. (1998). Measuring the Effectiveness of Nonprofit Boards. *Nonprofit and Voluntary Sector Quarterly*, 159-182.
- Matan, R., & Hartnett, B. (2011, Summer). How Nonprofit Organizations Manage Risk. Livingston, New Jersey, United States of America.
- Metelsky, B. A. (2011). Selection, Function, Structure and Procedures of the Nonprofit Board. In K. A. Agard, *Leadership in Nonprofit Organizations: A Reference Handbook* (pp. 491-502). Thousand Oaks: Sage Publications, Inc.
- National Managers' Community. (2002). *Tools For Leadership And Learning: Building A Learning Organization*. Retrieved from National Managers' Community Web site: <http://www.managers-gestionnaires.gc.ca/eng/tools-leadership-and-learning-building-learning-organization#toc7>
- Nobbie, P., & Brudney, J. (2003, December). Testing the Implementation, Board Performance, and Organizational Effectiveness of the Policy Governance Model in Nonprofit Boards of Directors. *Nonprofit and Voluntary Sector Quarterly*, 32(4), 571 - 595.
- O'Berry, D. (2014). *How to Create a Team Charter for Success*. Retrieved February 3, 2014, from Intuit's QuickBase Web site: quickbase.intuit.com
- Oliver, C. (2002, Nov - Dec). Policy Governance and Other Governance Models Compared. *Board Leadership*, pp. 2-8.
- Social Enterprise Alliance. (2014). *What's a Social Enterprise?* Retrieved from social enterprise alliance Web site: <https://www.se-alliance.org/why#whatsasocialenterprise>

Society Act. (1996). RSBC 1996. c 433. Retrieved November 20, 2013, from
http://www.bclaws.ca/Recon/document/ID/freeside/00_96433_01#part1

Weigelt, J. (2011, July–August). Another Gap Analysis. *Journal of Surgical Education*, 68(4), 255.

Yin, R. K. (2009). *Case Study Research: Design and Methods* (2nd ed.). Thousand Oaks: SAGE Inc.

Appendix A: VWCA Values

Accountability: We are transparent and accountable to our community, funders and partners.

Inclusiveness: The purposes of the Society are to promote, support or undertake any activity that will enhance the quality of life in the Victoria West community and supports the diverse population of the community.

Sustainability: The social, environmental and economic health and vitality of the community is enhanced by VWCA activities and initiatives.

Service: The VWCA provides services to the community as an advocate for, and facilitate participation in, the discussion of community issues in the provision of community services and in sharing information.

Appendix B: VWCA Purposes

Purpose 1: to promote community awareness and pride, and encourage the participation of Victoria West residents in community projects, events and the Community Association.

Purpose 2: to identify community needs and to consult with the appropriate municipal or other bodies to promote the development of services, programs, projects and events to meet the identified community needs.

Purpose 3: To raise awareness of and provide information on issues that affect the community and its future, and to provide a forum for community members to raise issues of potential concern to the community.

Purpose 4: To advocate for and facilitate participation by Victoria West residents with developers, government agencies and other bodies concerning neighbourhood plans, land use proposals, developments and public projects within Victoria West.

Purpose 5: to plan, administer, operate and maintain the necessary organizational structures, facilities, and staff to achieve the purposes and functions of the association.

Appendix C: Principles of Policy Governance

1. Ownership:

The board exists to act as the informed voice and agent of the owners, whether they are owners in a legal or moral sense. All owners are stakeholders, but not all stakeholders are owners, only those whose position in relation to an organization is equivalent to the position of shareholders in a for-profit-corporation.

2. Position of Board:

The board is accountable to owners that the organization is successful. As such it is not advisory to staff but an active link in the chain of command. All authority in the staff organization and in components of the board flows from the board.

3. Board Holism:

The authority of the board is held and used as a body. The board speaks with one voice in that instructions are expressed by the board as a whole. Individual board members have no authority to instruct staff.

4. Ends Policies:

The board defines in writing its expectations about the intended effects to be produced, the intended recipients of those effects, and the intended worth (cost-benefit or priority) of the effects. These are Ends policies. All decisions made about effects, recipients, and worth are Ends decisions. All decisions about issues that do not fit the definition of Ends are means decisions. Hence in Policy Governance, means are simply not Ends.

5. Board Means Policies:

The board defines in writing the job results, practices, delegation style, and discipline that make up its own job. These are board means decisions, categorized as Governance Process policies and Board- Management Delegation policies.

6. Executive Limitations Policies:

The board defines in writing its expectations about the means of the operational organization. However, rather than prescribing board-chosen means -- which would enable the CEO to escape accountability for attaining Ends, these policies define limits on operational means, thereby placing boundaries on the authority granted to the CEO. In effect, the board describes those means that would be unacceptable even if they were to work. These are Executive Limitations policies.

7. Policy Sizes:

The board decides its policies in each category first at the broadest, most inclusive level. It further defines each policy in descending levels of detail until reaching the level of detail at which it is willing to accept any reasonable interpretation by the applicable delegatee of its words thus far. Ends, Executive Limitations, Governance Process, and Board-Management Delegation policies are exhaustive in that they establish control over the entire organization, both

board and staff. They replace, at the board level, more traditional documents such as mission statements, strategic plans and budgets.

8. Clarity and Coherence of Delegation:

The identification of any delegatee must be unambiguous as to authority and responsibility. No subparts of the board, such as committees or officers, can be given jobs that interfere with, duplicate, or obscure the job given to the CEO.

9. Any Reasonable interpretation:

More detailed decisions about Ends and operational means are delegated to the CEO if there is one. If there is no CEO, the board must delegate to two or more delegatees, avoiding overlapping expectations or causing confusion about the authority of various managers. In the case of board means, delegation is to the CGO unless part of the delegation is explicitly directed elsewhere, for example, to a committee. The delegatee has the right to use any reasonable interpretation of the applicable board policies.

10. Monitoring:

The board must monitor organizational performance against previously stated Ends policies and Executive Limitations policies. Monitoring is for the purpose of discovering if the organization achieved a reasonable interpretation of these board policies. The board must therefore judge the CEO's interpretation for its reasonableness, and the data demonstrating the accomplishment of the interpretation. The ongoing monitoring of board's Ends and Executive Limitations policies constitutes the CEO's performance evaluation.

Source: Carver, J. (2006). *Boards That Make a Difference : A New Design for Leadership in Nonprofit and Public Organizations* (3rd ed.). San Francisco: Jossey-Bass.

Appendix D: VWCA Board Interview Questions

Governance Practices

1. How is the current governance structure working in general? What are some of the challenges with this structure? What are some of the things that are working well?
2. What is the driving force behind looking at a new governance model for VWCA and what is the “issue” to be resolved?
3. Is there a concern that VWCA will have difficulties with attracting and retaining board members in the future? If so, why?
4. In terms of the roles of the Board members, what is working well? What isn't working well?
5. Do you think the board roles need to shift? Why? What changes do you think should be made?
6. How is the time commitment of being a Board member for VWCA? What is the preferred governance structure for the Board? Why? How will this allow the Board to meet its objectives?
7. What have you seen from other community association or non-profit boards that you think works well?
8. What are you hoping I am going learn/find out from other community associations I meet with for a comparative analysis?

Organizational Structure

9. How is the current organizational structure working? What are some of the challenges with this structure? What are some of the things that are working well?
10. Do you think a new organizational structure for VWCA is needed? Why or why not?
11. In terms of the roles of the staff members, what is working well? What isn't working well?
12. Do you think the staff roles need to shift? Why or why not?
13. What is the preferred organizational structure for the VWCA and the community centre? Why?
14. What have you seen from other community association or non-profit boards that you think works well from an organizational structure perspective?

Finance

15. What are the current sources of revenue for VWCA including program revenues, grants, fundraising, etc.? Is there a budget you can share with me?
16. What is your opinion on the sustainability of the City of Victoria grants?
17. What funding practices have been undertaken? What has the success been?
18. Are there any sources of funding that need to be explored by VWCA (i.e. fundraising or social enterprise endeavors)?
19. Is there a minimum cost benefit analysis for some community fundraising opportunities?

20. Where does “fundraising” as a function currently reside with VWCA? With the Board or the employees or both?
21. Has any consideration been given to changing the role of the Board to focus more on fundraising? How will other Board members feel about this change? If there is more focus on fundraising, what will likely or should receive less attention by board members?

Appendix E: Comparator Organization Interview Questions

Governance Practices

1. What is your current governance structure? What are some of the challenges with this structure? What are some of the things that are working well?
2. Have you had to revise your governance structure in the past? What was the impetus for that change?
3. Did your organization ever struggle with board recruitment or retention?
4. In terms of the roles of the board members, what is working well? What isn't working well?
5. How is the time commitment of being a board member? Takes too much time? Not really engaged?
6. Is this your ideal governance structure for the board? Why or why not?
7. What have you seen from other community association or non-profit boards that you think works well?

Organizational Structure

8. How is your current organizational structure working? What are some of the challenges with this structure? What are some of the things that are working well?
9. In terms of the roles of the staff members, what is working well? What isn't working well?
10. Have you had to shift staff roles in the past? How did that go?
11. Is this the preferred organizational structure for your organization/community centre? Why or why not?
12. What have you seen from other community association or non-profit boards that you think works well from an organizational structure perspective?

Finance

13. What are the current sources of revenue for your organization including program revenues, grants, fundraising, etc.?
14. Does your organization receive public sector grants (i.e. municipal)? What is your opinion on the sustainability of the grants?
15. What funding practices have been undertaken? What has been successful?
16. Are there any other sources of funding that your organization is exploring (i.e. fundraising or social enterprise endeavors)?
17. Is there a minimum cost benefit analysis for some community fundraising opportunities?
18. Where does "fundraising" as a function currently reside with your organization? With the board or the employees?

Appendix F: Team Charter

The Team Charter – Community Charter

What Is It?

A one or two day meeting to set your group's course for the year. It is not your work plan, it is how you will work together.

Why Should I Use It?

It is a team agreement. To involve all staff in setting achievable values, standards and protocols for your group.

To build team spirit and enthusiasm for the group's goals.

To give your team or community a set of concrete improvement goals against which they can measure real progress.

How Can This Tool Help?

This tool, originally developed by Sandy Thomson of the Department of Indian Affairs and Northern Development's BC Region, enables every member of your team to see the "big picture" and suggest ways to apply it to everyday work. It is the vital link between your team vision, the organization vision and the daily work of getting things done.

How Does It Work?

Planning

Share information with your staff about your work plans and existing charter elements if you have them. Use a facilitator.

Doing

Have the facilitator focus your team on its:

- Mission statement
- Workplace values
- Service standards
- Code of conduct
- Roles and responsibilities
- Protocols – meetings, decision making, dispute resolution
- Business lines – products and services
- Skills inventory
- Team improvement goals

Brainstorm each subject and build a team consensus on each. Together, the team's products on these subjects will form your *Team Charter*.

A half day checkup after six months will let you see how on track you are. After 12 months, you can focus on: things to stop doing, things to continue doing, and things to start doing.

Following up

Some teams like to laminate the resulting document and post it by the copy machine where it reminds people of their individual commitment to the team.

What Resources Do I Need?

A minimum of one day or a maximum of two days, a facilitator, a meeting room, and additional rooms if the group is large.

What Is The Leadership Edge?

By involving all of your employees in this critical activity, you will help change your group from one that relies on policies and job descriptions to one that bases its actions on principles and teamwork. The *Team Charter* is a tool that makes the team responsible for coming to grips with the group's business lines, workplace principles and strategic goals.

Source: National Managers' Community. (2002). *Tools For Leadership And Learning: Building A Learning Organization*. Retrieved from National Managers' Community Web site:
<http://www.managers-gestionnaires.gc.ca/eng/tools-leadership-and-learning-building-learning-organization#toc7>

Appendix G: Board Effectiveness Quick Check

167

APPENDIX C – BOARD EFFECTIVENESS QUICK CHECK

INSTRUCTIONS

The Quick Check is intended to be completed by board members and the CEO. Please rate each statement according to your perception of how well your organization/board attends to each of these factors. Ratings are on a seven-point scale where 5 equals 'Agree Strongly', 0 equals 'Disagree Strongly' and Don't Know equals minus one (-1). Please enter in the line to the right of each statement the numerical rating that most closely corresponds to your perception of how well your board attends to each of the items. We are seeking an 'off-the-top-of-your-head' or spontaneous response based on your immediate perceptions.

Note: The term CEO is used to refer to chief executive officer, executive director, senior manager, management team leader, staff coordinator and other similar designations.

Rating Scale: Agree Strongly (5); Agree (4); Agree Somewhat (3); Disagree Somewhat (2); Disagree (1); Disagree Strongly (0); Don't Know (-1)

1. **This organization's orientation for board members adequately prepares them to fulfill their governance responsibilities.** _____
 2. **This board is actively involved in planning the direction and priorities of the organization.** _____
 3. **The board does a good job of evaluating the performance of the CEO** *(measuring results against objectives).* _____
 4. **This organization is financially sound** *(viable and stable).* _____
 5. **Board members demonstrate clear understanding of the respective roles of the board and CEO.** _____
 6. **The organization's resources are used efficiently** *(good value for money spent).* _____
 7. **The board has high credibility with key stakeholders** *(e.g., funders, donors, consumers, collateral organizations or professionals, community, staff).* _____
 8. **Board members demonstrate commitment to this organization's mission and values.** _____
 9. **Board members comply with requirements outlined in key elements of the governance structure** *(bylaws, policies, code of conduct, conflict of interest, traditional/cultural norms, etc.).* _____
 10. **The board's capacity to govern effectively is not impaired by conflicts between members.** _____
 11. **There is a productive working relationship between the board and the CEO** *(characterized by good communication and mutual respect).* _____
 12. **I am confident that this board would effectively manage any organizational crisis that could be reasonably anticipated.** _____
 13. **Board meetings are well managed.** _____
 14. **The board uses sound decision-making processes** *(focused on board responsibilities, factual information, efficient use of time, items not frequently revisited, effective implementation).* _____
 15. **This organization has a good balance between organizational stability and innovation.** _____
- Total of the 15 items _____
Overall Score (Total divided by 15) _____

BOARD EFFECTIVENESS QUICK CHECK – SCORING

Calculate the Overall Average for each respondent by totaling the ratings on the fifteen items and dividing by fifteen. Calculate the average of responses from individual board members on each of the fifteen individual items and the Overall Average by totaling the ratings of all board members and dividing by the number of board members who completed the 'Quick Check'. Compare the board averages to the responses of the CEO.

Item	Respondents															Total	Avg. *	CEO **	
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O				
1																			
2																			
3																			
4																			
5																			
6																			
7																			
8																			
9																			
10																			
11																			
12																			
13																			
14																			
15																			
Total																			
Total 15																			

* Total divided by number of BOARD respondents for each item. This provides the overall board effectiveness rating.

** Compare average of board responses to CEO responses for each item and the total.

Note: If you wish to compare the results of your board's responses to the 'Quick Check' with the average of those in our database, please contact the author. There is a small fee to cover the costs of this service.

Source: Gill, M. D. (2005). *Governing for Results: A Director's Guide to Good Governance*. Victoria: Trafford Publishing.

Appendix H: Director's Self-Evaluation Checklist

8.12 THE BOARD EFFECTIVENESS QUICK-CHECK

The Board Effectiveness Quick Check contains a number of items that have been identified as correlating most significantly with successful governance and organizational effectiveness. It consists of the first 15 of 146 items in the Governance Self-Assessment Checklist (GSAC), which was developed to help boards identify strengths and weaknesses in governance structures and processes, and to suggest priorities for further attention. These factors are drawn from a survey of the research and normative literature on governance of nonprofit organizations, a review of other rating scales and research supporting the validity and reliability of the GSAC.

The results of the Quick Check correlate very highly with those of the overall GSAC. However, it does not provide the finer level of discrimination between governance practices that result from administration of the larger, comprehensive version. The Quick Check can be used to take a snapshot of your board's performance at a particular moment. Take 5 minutes to complete it, have a board member tabulate the results and use it to focus your board's discussion about governance. You'll find the Quick Check in Appendix C. The comprehensive GSAC is available through the author.

8.13 SELF-ASSESSMENT FOR INDIVIDUAL BOARD MEMBERS

The purpose of this self-evaluation checklist is to help individual board members and the board chair assess the 'added value' that they bring to the organization, whether they have met the expectations set by the board when they took their place at the boardroom table and whether they continue to be committed to serving on the board. It should be completed by board members and shared with the chair. An electronic copy of this is contained on the CD ROM available with volume purchases of this book.

Director's Self-Evaluation Checklist

Please answer the following questions by rating your participation on the board according to the following scale: Agree 4; Agree Somewhat 3; Disagree Somewhat 2; Disagree 1.

- 1. I have a good understanding of the bylaws, purpose, policies and programs of this organization as they pertain to my role as a board member. _____
- 2. I have a good understanding of my role and duties as a board member. _____
- 3. I understand and respect the distinctions between the governance role of the board and the roles of management and staff. _____
- 4. I understand the organization's budget and financial statements. _____
- 5. I seek clarification when necessary to enhance my understanding of the matters noted in items 1 to 4 above. _____
- 6. I am committed/dedicated to the mission of this organization. _____
- 7. I have regularly attended meetings of the board and assigned committees. _____
- 8. I am well prepared for meetings (i.e., have reviewed and considered agenda material). _____
- 9. I contribute to board and committee discussions to the best of my ability. _____
- 10. I provide advice to the board (and CEO if there is one) based on my best judgment. _____
- 11. I base my judgments on the best available objective information/evidence and what I believe to be the best overall interests of the organization. _____
- 12. I voice any disagreement I might have with board decisions or direction in a constructive manner within the board as decisions are being made. _____
- 13. I consistently respect and support board decisions made with due diligence. _____
- 14. I respect and maintain in confidence, matters of a confidential nature. _____
- 15. I carry out assigned tasks in a timely and effective manner. _____
- 16. I am diligent in avoiding/declaring real or potential personal conflicts of interest. _____
- 17. I attend, and/or assist in organizing, special events on behalf of the board, consistent with the expectations for members of this board. _____
- 18. I represent the board and organization positively to the community. _____
- 19. I contribute time, talent and/or money, consistent with the expectations for members of this board and my personal capacity. _____
- 20. I work hard at developing and maintaining a spirit of collegiality and positive interpersonal relationships within the board (and with the CEO if there is one). _____
- 21. I have found serving on this board to be personally rewarding and fulfilling. _____
- 22. I am satisfied with my contributions to this organization. _____

Total _____
 Total /22 = _____

I have the following suggestions for improving the performance of this board and my capacity to contribute effectively to the board and organization:

I understand that my responses to this Checklist will be used to focus discussions with the chair regarding my past contributions to the board and future role and responsibilities as a director.

Name: _____ Date: _____
 Signature: _____ I wish to continue serving: Yes ___ No ___

Source: Gill, M. D. (2005). *Governing for Results: A Director's Guide to Good Governance*. Victoria: Trafford Publishing.

Appendix I: Sample Executive Director Job Description and Advertisement



Job posting: Executive Director

With a staff of 45, and an annual operating budget in excess of \$1.5m the Fernwood Neighbourhood Resource Group (NRG) is a charitable organization committed to resident driven urban sustainability. Reporting to the Board of Fernwood NRG, the Executive Director is responsible for the leadership and management of the organization, in a manner consistent with the NRG's declaration of principles and values.



Whether in friendly chats with residents on the street or in formal presentations to funders and government, our E.D. will exhibit the flexibility and social proprioception necessary to cultivate relationships in service of our goals.

The ideal candidate will be dynamic and innovative, a strategic thinker with proven experience successfully implementing bold initiatives in complex systems. Using principles of social capital, our E.D. will further our commitment to resident driven urban sustainability through the evaluation, expansion and development of our social enterprises.

We are the change we want to see in the world. If you have the courage and confidence to get on this train and help lay down future tracks, then perhaps we're the change you want to see in your world. At the head of this financially stable, cutting edge organization you will be able to use every skill you have, make a difference that most only dream of, and learn more than you thought possible.

If this terrifies you but not more than it intrigues you, we'd like to meet you.

To apply for this position, email a resume and cover letter to careers@fernwoodnrg.ca. This posting closes May 15, 2009.

Fernwood NRG thanks all applicants for their interest and advises that only those to be interviewed will be contacted.

Fernwood Neighbourhood Resource Group 1240 Gladstone Victoria, BC V8T 1G6
Telephone 250.381.1552 Fax 250.381.1509 www.fernwoodneighbourhood.ca

resident powered neighbourhood evolution



Executive Director

Brief Description

As the chief executive of the Fernwood Neighbourhood Resource Group Society, the Executive Director is accountable to the Board of Directors of the society for providing financial, human resource, communications, community relations, program, service, and operations management as required to achieve its aims and manage its properties and facilities (1240 Gladstone, 1301-1311 Gladstone, 1222 Yukon).

Reporting Relationships

Reports to Board of Directors

Reported to by Senior Staff

Working Relationships

Board of Directors and staff

Other non-profits and community-based organizations

Funding/granting organizations

Neighbourhood residents

City of Victoria staff

Municipal, provincial and federal politicians

Duties

The duties of the Executive Director include, but are not limited to:

Financial Management

- Supervise accounting staff
- Develop annual budget
- Ensure Canada Revenue Agency reporting, BC Corporate Registry reporting, City of Victoria business licences and all insurance policies are comprehensive and up-to-date
- Foster and maintain positive relationships with funders
- In conjunction with Development Director, complete funding reports and proposals
- Keep the organization's Strategic Plan up-to-date with current needs and priorities
- Develop Business Plans for social venture projects
- Ensure social venture projects maintain a balance between revenue generation and social capital

Human Resource Management

- Ensure staff with appropriate skills and qualifications are recruited, hired, trained and evaluated
- Provide staff with leadership and direction, opportunities for professional development, and fair compensation
- Maintain appropriate staffing levels while using resources prudently
- Ensure job descriptions and personnel handbook are kept relevant and up-to-date



Communications Management

- Use a wide variety of methods to communicate the organization's message positively and constructively
- Position the society as leader in the city, the province and nation-wide in the areas of social ventures, enterprising non-profits, neighbourhood development and urban sustainability

Community Relations Management

- Maintain constructive relationships with residents and businesses in the Fernwood neighbourhood.
- Engage the society in cross-promotional relationships with the businesses of Fernwood.
- Forge strong alliances with other non-profit/cultural/arts organizations operating in the Fernwood neighbourhood.

Program/Service Management

- Work with program managers to ensure all programs provide high-quality service with solid social outcomes
- Ensure all programs and services adhere to funder stipulations, as well as budgetary limitations
- Establish programs that reflect the needs of the community

Operations Management

- Prepare monthly reports for the Board of Directors outlining the society's operations
- Ensure assets are acquired and maintained in a fiscally responsible manner
- Oversee administration of staff benefits
- Ensure equipment inspections and health permits are up-to-date
- Ensure appropriate child-to-worker ratios for childcare programs

Selection Criteria

Education/Experience

- Degree from accredited university (post-graduate degree preferred) or equivalent combination of education and experience
- At least five years of progressive management experience including experience supervising staff
- Experience managing a budget in excess of \$1M or a budget of considerable complexity
- Significant leadership experience working or volunteering in the non-profit sector
- Experience working or volunteering directly in community development is preferred

Knowledge

- Knowledge of enterprising non-profits, social ventures, and non-profit charities
- Knowledge of the social issues facing the City of Victoria and, in particular, neighbourhoods such as Fernwood
- Knowledge of urban sustainability principles and practices



Skills/Abilities

- Excellent interpersonal, oral and written communication skills
- Demonstrated ability to establish a vision and lead a group to sustained and growing success
- Strong organizational and project management skills
- Ability to establish strong working relationships both within and between organizations
- Ability to establish strong working relationships with a broad range of individuals from neighbourhood residents to government officials and politicians
- Ability to consult with a wide range of stakeholders and identify common needs



[Organization name] Executive Director Job Description

Nature and Scope of Work

This position is responsible for the administration, operations, and leadership of services and programs conducted by the [Organization Name]. These operations are primarily based at the [location]. This position reports to the Board of Directors and is supervised by the President of the [organization name]. The executive director is tasked to meet the employer obligations to staff.

Expectations

2.1 Shared leadership: Within the parameters of the attached Job Description, the [organization name] looks to its Executive Director for initiative; for assistance in setting and articulating its vision; and for professional performance and oversight of [organization name] programs in collaboration with the Board of Directors and the [organization name] committees.

2.2 Relationship to [organization name] Staff: The Executive Director will be responsible to lead the [organization name] staff, either directly or through delegation to designated staff, and will ensure that annual staff evaluations occur.

2.3 Reporting Relationship: The Executive Director reports directly to the President of the Board.

2.4 Relationship to the Board: The Executive Director will be a non-voting member of the Board. The Board expects the Executive Director to attend monthly Board meetings and Executive meetings, to provide monthly reports, and to report specific concerns as they arise. The Executive Director will confer with the Board on the provision of staffing of any other approved support to the Board or to Committees.

2.5 Relationship to Committees: The Executive Director will be a non-voting member of all committees except the Nominating Committee. Attendance by the Executive Director at committee meetings is welcome but not expected.

2.6 Community Activities: The Executive Director is encouraged to act in the community beyond the [organization name] on behalf of the [organization name] in accordance with policy, and to inform the Directors of such action through periodic reports.

Executive Director

Sample Job Description

Job Title

Executive Director

Job Summary

Provision of overall management and leadership in implementing Board policy in a manner consistent with the mission and goals of the organization.

Reporting to

Board of Directors, through the President

Working relationships

Community Associations

Board and Staff

Organizational Development and Support Committee

Executive Committee

Partnerships

Senior Management of the City

Other organizations and funding agencies

Prime functions

Implement board policy and decisions

- Act as a resource to Board of Directors so that policy decisions are made on an informed basis
- Gather, interpret and articulate information to Board about community trends and resources as they relate to enhancing the Board's capacity for effective communication, decision-making and long-term planning
- Keep Board informed (on a timely basis) of significant issues affecting the development and delivery and implementation of orientation for in-coming Board Members
- Provide guidance and advice to Board on process issues such as establishing and interpreting terms of reference, decision-making and accountability
- Member of Organizational Development & Support Committee and Executive Committee. Attend and participate in meetings, assisting with materials recording note/minutes for distribution

Monitor and oversee financial management of the organization

- Ensure development of annual budget, within the context of the Operating Agreement with the City, and present to Treasurer for evaluation and modification as required
- Strategic/Business Plan development, updating and monitoring
- Identify, prioritize and provide advice and counsel to aid Board in accessing potential fund-raising alternatives
- Maintain relationships with funding sources and prepare funding proposals
- Organize Casino application and volunteers
- Ensure appropriate staffing consistent with community and member needs and within the constraints of the organization's financial resources
- Develop and maintain the Personnel Policy & Procedure Manual
- Develop and maintain appropriate job descriptions for all staff
- Recruit, select, orient and train staff
- Evaluate staff
- Ensure staff are appropriately compensated

Maintain, acquire and dispose of physical assets

- Ensure that facilities, furniture and equipment are as necessary and appropriate to needs of the organization
- Provide recommendations to the Board for any acquisitions or expenditures that are outside the approved budget
- Ensure proper maintenance of facilities, furniture and equipment
- As necessary, dispose of outdated or worn out equipment

Develop, plan and deliver programs and services

- Monitor community needs on an ongoing bases, be aware of changing context within which programs and services are provided
- Develop programs and services consistent with community needs
- Monitor programs and services to ensure consistency with criteria established by funding sources and the mission and goals of the organization
- Annually prepare and provide to the board, and other applicable bodies, summary report of programs and services, including recommendations for future improvement and change
- Regularly obtain statistical and qualitative feedback about program and service delivery
- Provide consultative services on bylaws, procedures, conflict management
- Monitor staff benefits and property insurance programs
- Assist Communities in defining and implementing terms of reference and job descriptions

Establish, maintain and advance community relations

- Initiate and develop relationships with a broad range of community sectors including: city communities, all levels of government, other non-profit organizations and business organizations
- Undertake activities within the Community that enhance the visibility of the organization

- Represent the organization on appropriate committees, network and joint projects
- Develop and provide information about the organization's goals, programs and services

Qualifications

- Related Bachelors Degree (e.g. Business Administration in not-for-profit management, community social work, social geography) or equivalent experience
- Experience in managing a community based volunteer agency
- Familiarity with PC computer applications
- Experience in initiating, planning, implementing and evaluating programs and services
- Experience in staff management

Performance criteria

- Development of strong working relationships with all relevant organizations, staff and Board
- Enhancement of the organization's image
- Complete satisfaction of the City's Contract requirements
- Successfully carrying out the prime functions of the job descriptions