



## Board Orientation

by Judy Sutcliffe, The Sutcliffe Group Incorporated



Would you let a new staff member start work without telling them about their role and about the organization they are working for? You want them to know the importance of their tasks, what they will be responsible for, who they report to, and how their performance will be measured. Too often, people are invited to join Boards of Directors of not-for-profit organizations and are given little or no information that will prepare them for their new responsibilities. This article asserts that it is just as important to orient new Board members, as it is to orient new employees and describes what type of information should be included in an orientation. Although this applies to all Boards, the focus in this article will be on sport organization Boards.

### Format & Context

Some organizations involve the whole Board in orientation, allowing new and existing members the chance to meet in an informal setting. Veteran members can help deliver some of the orientation, in addition to the CEO, so that it is not just one talking head.

It is important to start an orientation by providing a context for the organization. For example, someone who has been involved in a sport at the Club level may know that there is a provincial and a national association, but beyond insurance coverage or organizing the championships (if that) may not know what those associations do. Likewise, someone on the Board of a national sport organization may know about provincial/

territorial sport organizations but may not know much about the clubs/leagues at the local level. The following will help provide context for new members:

- Tell your new directors that the purpose of Board Orientation is to share key information about the organization, to focus on the strategic direction, mission and goals of the organization and to encourage questions and to explore opportunities for the organization.
- Provide them with your Strategic Plan and review the vision, mission and values. Explain what they mean in the context of your programs and services. Review your strategic goals, so they can see what the organization is trying to accomplish over the longer term (the life-span of your Strategic Plan).
- Review the organizational chart—both for staff and the Board. There may be Board committees that report to Board members, and it would be important to review those, their make-up, frequency of meeting and purpose.

### The Governing Documents

Provide the new Board members with an overview of your “tools of governance”, that is your by-laws and/or constitution, Board policies, the details of your Strategic Plan and your annual budget. Depending on the size of your organization, you may want to include operational policies that are relevant to Board members.

*(continued on page 2)*

### In this edition :

How the SDRCC <i>Pro Bono</i> Program assisted Racquetball Canada	3
Connecting with the International Community	4



## Board Orientation (continued)

The by-laws or constitution will usually describe the purpose of the organization, structure, meeting procedures (notice, quorum, director elections, voting procedures including proxies for membership general meetings), duties of executive and key committees such as finance, human resources, audit, and procedures around membership (who is a member and how they become a member, applicable fees, procedures for suspension of membership and expulsion). The by-laws or constitution should be reviewed at a high level so that the new Board members get a general picture of who is involved in the governance and membership of the organization and what rules guide their activities.

Depending on the size of the organization, a Board would then review only Board policies (large organizations) or all policies (smaller organization, more operational Board). Board policies in large organizations could include policies on conflict of interest, confidentiality, a Board Code of Conduct, and others. Policy governance Boards may have additional policies that they have developed to guide their activities. Smaller, more operational Boards should review all their policies so as to ensure that if approached by a member, new Board members are in a position to refer the member to the appropriate policy.

### Board Responsibilities

There are five essential tasks of a Board member: direction setting, stewarding financial resources, managing human resources, identifying clear roles and ensuring quality performance, and assuming a fiduciary role.

**Direction setting** is about setting and understanding the vision, mission, values and strategic goals of the organization. It is ultimately the Board's responsibility to finalize the Strategic Plan, after appropriate consultation with stakeholders has taken place. Likewise, Board members should set the tone for how the organization is to operate by living the values in their communications around the Board table, with staff, the membership and stakeholders.

**Stewarding financial resources** is about ensuring that the organization has sufficient financial resources to meet its plans and programming commitments (i.e., the expenses and revenues are balanced); that the organization's revenue base is sound (e.g., that programs in the

next year are not funded from a surplus this year); and about protecting the organization's assets (both tangible—furniture, programming materials—and intangible—reputation) from loss. Essentially, stewarding financial resources is about maintaining the ongoing existence of the organization and protection from undue risks.

**Managing human resources** - One of the most important functions of the Board is the selection of the Chief Executive Officer, and through the CEO to ensure that there is effective management in place to manage the organization. This includes ensuring that both Board volunteers and staff understand their roles and work to strengthen programs and services for members. Recruiting new leaders through committee participation or as Board members is another aspect of human resource management—succession planning and an ongoing nominating committee contribute to this. Finally, evaluation of

the CEO's performance and the Board's performance is an essential aspect of the Board's role in managing human resources.

**Identifying clear roles & ensuring quality performance** - The Board needs to ensure that the organization is effectively

managed, but it also needs to make sure not to become too involved either in management or operations on a day-to-day basis. However, Boards still need to ensure that the organization is performing well. Through enquiry to their CEO, they can do this by ensuring legislative compliance (is the Association meeting all legislative/regulatory requirements?), meeting funder agreements (are all expectations set out in contribution agreements being met?) and meeting organizational objectives (is the Association achieving objectives and indicators approved in its Strategic Plan and budget?). At the same time, though they are making a clear distinction about what is their role and what is that of the CEO and other staff.

**Assuming a fiduciary role** - Much has been written about the fiduciary role of Board members. Essentially, this legal concept refers to the obligation of Board members to act ethically and with integrity; to act honestly, in good faith, and in the best interests of the organization. At national Boards, this can be a challenge, because a Board member may bring a provincial point of view. Nevertheless, sitting at the national Board table, these Board members need to think first about how their decisions will affect the national organization.

*(continued on page 4)*

*"...it is just as important to orient new Board members, as it is to orient new employees..."*



## How the SDRCC *Pro Bono* Program assisted Racquetball Canada

by Ron Brown Ch.P.C., President of Racquetball Canada



Appeals are often very divisive and tax the resources of all parties. One may feel that another party hiring legal counsel will put them at a disadvantage or make the process more formal and hostile. On the contrary, in our case, the presence of the SDRCC *pro bono* lawyer facilitated a settlement that everyone agreed was best for all and that did not require a significant investment of resources by any of the parties.

In the fall of 2010, Racquetball Canada (RC) was about to submit its Athlete Assistance Program nominations to Sport Canada when the newly appointed Executive Director noticed an anomaly with the names of athletes that had been submitted by the RC High Performance Committee.

After making some inquiries, she discovered that the High Performance Committee had decided in a meeting in December 2009 to modify the carding criteria. However that decision was never brought forward to the RC Executive Committee for approval, as required in the RC Policy and Procedure Manual. Nor was the decision of the High Performance Committee ever published on the RC website or the carding criteria amended. Therefore RC had no option but to follow the carding criteria originally submitted to Sport Canada. This led to one athlete being awarded a card (according to the original criteria) and left behind the athlete who would have received the card if the High Performance Committee amendments had been implemented as intended the year before.

RC was openly truthful in advising both athletes of the situation and the resulting carding nomination. Once the submission was sent to Sport Canada, the athlete who did not get nominated immediately appealed the decision to RC's Executive Committee.

RC put its internal appeal process in motion. However because the Executive Committee had already been involved in this case internally, the appeal was promptly referred directly to an independent appeal panel to avoid a

situation of conflict of interest. The panel upheld the decision of RC. In receipt of the panel's decision, the athlete then filed a request for arbitration to SDRCC.

As the SDRCC process applies, RC was named as respondent and the athlete who had initially been nominated to Sport Canada was invited to participate as an affected party. At the outset of the case, the claimant engaged legal counsel through the SDRCC *Pro Bono* program to assist him in the appeal; meanwhile RC was represented by its own Executive Director and President and the affected athlete, who was at risk of losing her carding status, chose to appear before the SDRCC self-represented.

All parties were convened to a mandatory resolution facilitation session to explore possible settlement options. The two athletes and RC agreed to fully cooperate with this process in the hopes of avoiding a binding award by the arbitrator, which inevitably would result in one of the athletes losing. In a somewhat short period of time during the resolution facilitation process, it became clear that a mediated settlement was possible.

*"...not only the claimant but all parties benefitted from that pro bono lawyer's involvement..."*

Once an agreement in principle was reached, it was the claimant's *pro bono* lawyer who took the lead in drafting the terms of the settlement on behalf of us all; when Sport Canada required that an arbitral award be rendered in order to recognize and implement the agreement, it was the claimant's *pro bono* lawyer who dealt with the SDRCC, again on our collective behalf, to have the arbitrator issue a consent award. In the end, not only the claimant but all parties benefitted from that *pro bono* lawyer's involvement, because it resulted in the dispute resolution process being professionally managed at no cost to the participants.

RC has learned important lessons which are still paying dividends. There is now a much closer scrutiny of all policies and procedures, from the Committee level up to the Board and Executive. Athletes are much more cognizant of their rights and responsibilities. As much as the services of the SDRCC *Pro Bono* program had a very positive impact on that case, they hopefully will not be required by RC any time soon. ■

### Notable Dates:

- **September 21-23, 2012:** The SDRCC will be present with a kiosk at the Sport Officials of Canada Conference (Saskatoon, SK);
- **September 28-30, 2012:** The SDRCC will be present with a kiosk at the AthletesCAN Forum (Toronto, ON).





## Connecting with the International Community



In May, the SDRCC had the privilege of serving as marketing partner of the LawAccord Convention which was held as part of the International SportAccord Convention in Quebec City. The SDRCC's role was to promote the event to the Canadian sport community and interested stakeholders. The event was aimed at sports federation administrators, sports lawyers, arbitrators and mediators, as well as event organizing committees and policy makers. Focused on good governance in sport, the program featured two thought provoking debates on what good governance requires of sports governing bodies and on whether good governance keeps sport out of court. The debates involved a number of distinguished international panelists, including one of the SDRCC's own roster members Richard H. McLaren. The event proved to be a great opportunity for representatives of the SDRCC staff, Board and roster in attendance to network with members of the international sport community with common interests and to discuss key topics in sport governance. ■

*Board Orientation (continued from page 2)*

### Board Evaluation

New Board members should be made aware of the methods that will be used to assess their performance over their years of service. Some approaches to evaluation include checklists that address the Board's clarity on its role, how well it carries out its basic responsibilities, the suitability of its make up and structure, its meeting effectiveness, the supportiveness of its informal culture and the leadership exhibited by the chair/president. Board members should be advised that assessments will be done annually by the Board President, individually by Board members of their own and others' performance, or collectively.

### Practical Steps for Board Service

Provide your new Board members with some practical steps for Board service. Some may never have served before on a Board of Directors of a not-for-profit, may not understand the expectations or the requirements, or may come for the corporate world where things are very different. Here are some quick wins that will help make their life on your Board more meaningful:

- Encourage them to attend all board meetings; Commit to starting and ending your meetings on time;
- Ask them to prepare by reviewing the agenda and supporting documents;
- Explain when the minutes will be prepared and how they are to be used;
- Describe how meetings are conducted and how firmly your Association adheres to *Roberts Rules of Order*;
- Remind them to treat information and discussions as "confidential" unless otherwise noted;

- Invite them to study and understand the constitution and Strategic Plan of your organization and to stay current on issues and trends impacting your business.

### Review Roles

Spend some time reviewing the job descriptions and roles of the President, the Vice President(s), the Treasurer and the Secretary. Go into a little more depth with the role that each of your new Board members has assumed, and refer them to a go-to person to follow up with when they have questions.

### Legal Considerations

Review with your new Board members the essentials of their legal obligations. They should understand the **duty of care** (act honestly as would any reasonable person in a similar circumstance), **duty of knowledge** (use good business judgment at all times, follow the constitution), **fiduciary duty** (act in good faith in the best interests of the Association), and their **duty to avoid conflicts** of interest (declare a conflict when one arises, not participate in nor attempt to influence the decision-making around the issue that is the subject of the conflict). As well, inform them of the directors' and officers' liability insurance, should this be part of your insurance policy, and how it works.

Finally, review the current issues that your Association is facing, so that they are up to speed when discussions around the table begin on those topics.

With this type of overview, your new Board members will be much more productive from their first meeting, will contribute more and will be better able to help your Board in achieving its strategic objectives. ■



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