



BTSC Board of Directors

Governance Overview

What is Governance and why is it important?

(Source: SO and Sport Law & Strategy Group, Club Operational Manual/Tool box)

The simple definition of governance is *“the systems and structures an organization uses to control its general operations, programs and activities.”*

But governance is more than just tangibles and mechanics. The simple definition may be expanded to: *“the systems and structures an organization uses to control its general operations, programs and activities. These systems and structures allow an organization to: hold a Board of Directors to account, promote fairness and transparency, support stewardship and integrity, and engage members and stakeholders. Governance systems and structures provide the means by which organizations make decisions, pursue mandates and goals, deliver programs and services, and meet legal standards.”*

There is no one model of governance that is better than another. The model that works for one organization in its given set of circumstances may not work well for another. Successful governance reform requires a change management approach, careful and patient facilitation, and engagement and input of members and stakeholders.

If your organization is embarking on a path of governance review, you may want to consider the following:

1. Does your organization have a strategic plan and does the organization follow it? Do the Directors know, respect, and reflect the organization's values?
2. Are the organization's bylaws up to date? Do the governance practices align with what is written?
3. What type of Board of Directors does the organization have or want?
4. What are the mission, vision, and values of the organization?

Governance is supported by “governing documents” which refer to the bylaws and policy documents that an organization uses to govern itself. Taken together, these documents form the “contract” between the organization and its members. This contract

provides the organization with the legal authority to establish and enforce the rights, privileges and obligations of membership.

At first glance, governing documents may appear to be boring or unimportant. But these documents determine how an organization makes decisions that affect members and they are therefore essential. Good governance is an essential element of risk management and good governance begins with ensuring that the necessary governing documents are in place to support the organization's day-to-day operations.

Once the appropriate governance structure is determined by the organization, the bylaws (and any future amendments) should reflect the chosen governance model, specifically the composition and term length of Directors, and the powers of the Board and various committees.

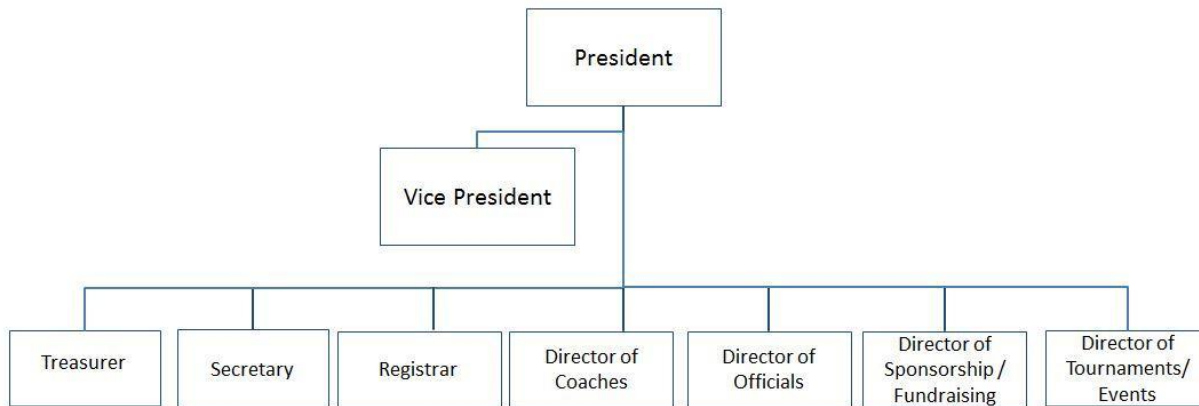
Governance review is connected to strategic planning. Organizations should undergo a strategic planning process when they are changing or considering changing their governing documents. Strategic planning is the formal consideration of an organization's future course and the resources required to achieve it. The best possible strategic planning process always begins with a commitment to the organization's foundational statements – its mission, vision, and values. Managing-by-values is a new approach to governance that requires an explicit commitment by the organization to become more intentional about using its values in its decision making.

Governance Models

An organization is governed by its Board of Directors. The governance model used by a sport organization can often be determined by understanding how the Directors come into their positions, how many Directors there are, and what powers and responsibilities they have. There are three types of governance models typically used in sport:

- **Administrative/Working Board** – decision-making by volunteers, little long-term planning, characterized by Member preferences and quality services

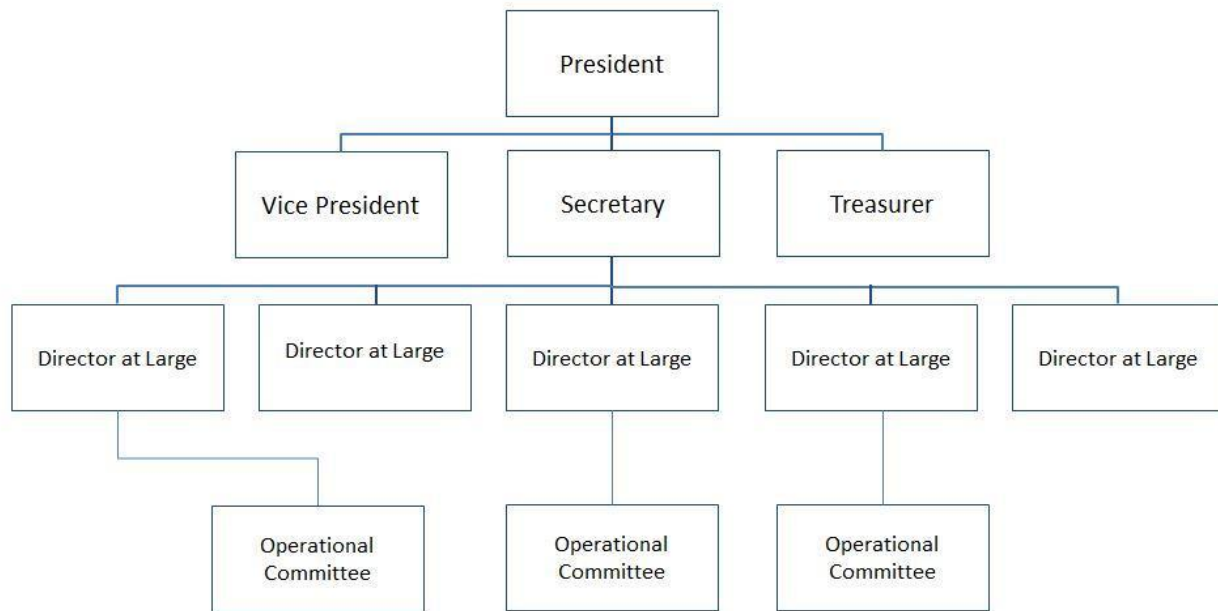
Example Characteristics: The Board makes all operational and long-term planning decisions for the organization. Each Director has a specific role and is responsible for the day-to-day tasks involved with that role. Decisions are made at meetings of the Board, Directors present reports, and future direction is determined. The primary focus of a working Board is the operational tasks required to run the organization's program(s).



Pros	Cons
Vast number of people involved in the operations of the organization	Difficult to manage a large number of people at a Board meeting
Vast number of people who have knowledge of the organization	Difficult to arrange a meeting or ascertain quorum
Each Director assigned a specific task or responsibility	Difficult to fill all positions. Vacant positions leave specific operations incomplete
Continually relating to the operations and history of the organization	History is embedded in operations, strategic planning, values, and policy development
Individuals have strong attachment to the organization	People filling a role for which they have no experience

- **Management Board** – decision-making by volunteers sometimes assisted by paid staff, some long-term planning, characterized by administrative efficiency

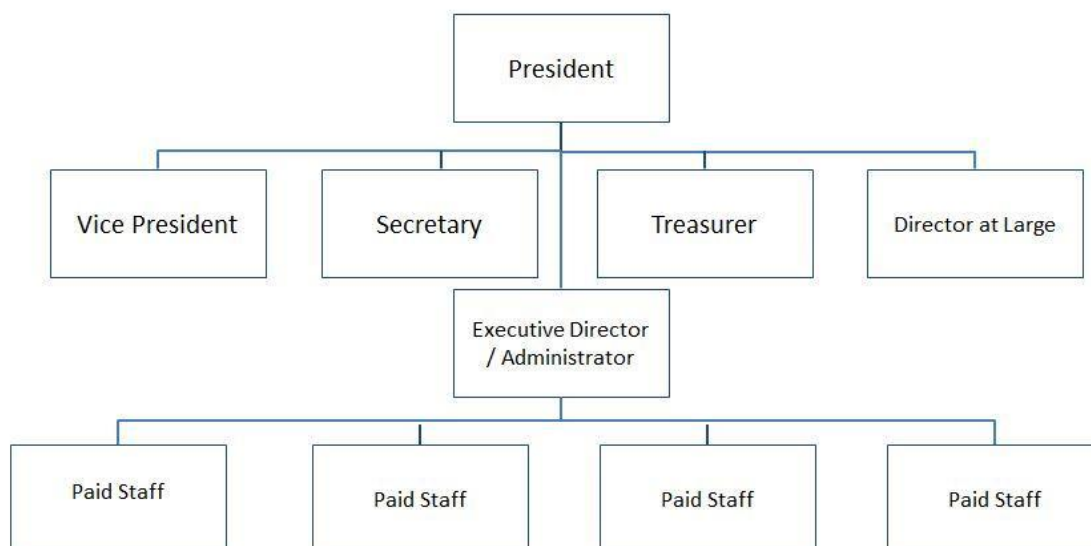
Example Characteristics: The executive officers (President, Vice President, Secretary, and Treasurer) are more focused on the long-term planning of the organization. The day-to-day administrative duties are divided amongst the Directors-at-Large with support provided by the executive. The Director-at-Large positions have no specific role; these roles are developed based on the needs of the organization at that particular time. Sub-committees of volunteers (non-Directors) provide support to the Directors-at-Large.



Pros	Cons
Focus on strategic planning, vision, mission, values and policies	Difficult to manage a large number of people at a Board meeting
Non-descriptive positions allows for the 'best' people to be on the Board	Difficult to arrange a meeting or ascertain quorum
Accountable to the organization as a whole	Difficult to fill all positions
Leverage skill sets and expertise	May become focused on operations and minimizing strategic planning, values, and policy development
Provides oversight to staff and management	Overstep boundaries between governance and management/operations

- **Policy Board** – decision making by paid staff assisted by volunteer Board, formal long-term planning.

Example Characteristics: The Board consists of the executive officers (President, Vice President, Secretary, and Treasurer) and one Director-at-Large who oversee the vision and direction of the organization. Paid staff report to the Board on the organization's day-to-day administrative duties.



Pros	Cons
Focus on strategic planning, vision, mission, values and policies	Small number of Directors may create an imbalance in power
Non-descriptive positions allows for the 'best' people to be on the board	Few people with experience as a Director for continuity
Accountable to the organization as a whole and ability to speak as one voice	Possibility of micro-managing
Leverage skill sets and expertise	May become focused on strategies/policy development and fail to provide oversight to finances and operations
Provides oversight to staff and management	Overstep boundaries between governance and management/operations

Local clubs will typically use a 'Working Board' governance model with some larger clubs approaching the 'Management Board' model. In a 'Working Board' model, there are usually as many Directors as are needed for the operation of the various areas of the organization. Directors also usually have the power to steer and guide the organization in the manner they see as appropriate with little input from members. In fact, in many local organizations, the Directors would be considered the voting members of the organization and the only ones able to cast votes at a meeting of the members. Responsibilities of Directors are further described later in the manual

An organization that wants to get more involved with competitive sport should strive toward a 'Management Board' model of governance. This model would remove some of the decision-making from volunteers and increase the organization's focus on long-term planning. In this model, it may also be wise for members to be formally registered and quantified (i.e., in local sports associations this would mean that athletes (or parents/guardians of minor athletes) receive a vote at a meeting of the members).

'Management Board' and 'Policy Boards' are typically implemented at larger clubs or Provincial Sport Organizations (PSOs).

Board Roles, Responsibilities and Functions

Roles

The board is responsible for the highest level of decision making and legal authority in an organization. By law, it is ultimately accountable for, and has authority over, the organization's resources and activities. The board articulates and communicates the organization's vision to the membership and the community. Through policy, the board defines the parameters within which the organization will carry out its work.

Responsibilities

Governing boards have the ultimate responsibility for the organization's:

- Purpose, by establishing and implementing the organization's mission and vision
- Continuity, by providing continuity for managing and implementing the organization's affairs
- Progress, by setting the rate of progress that the organization takes in reaching its mission and vision
- Identity, by securing the community support and appreciation for the organization's object, beliefs, vision, mission, and long-term direction

Functions

The main function of the board is governance. The board carries out this function by establishing, directing, and influencing the implementation of policy in four areas:

1. Framework Governance including:
 - Organizational values and belief statements
 - Vision statement
 - Mission statement
 - Target statements
 - Aims or strategic directions

To fulfill its framework governance function, the board:

- Makes sure there is a strategic plan
- Monitors the framework policies to make sure they reflect community needs
- Evaluates the organization's progress, as outlined in the framework policies and the strategic plan

2. Board Self-governance including:

- A process for policy making
- The governance style to be used by the board
- The process for the Annual General Meeting
- The board's relationship to the membership
- Recruiting, selecting, orienting, training, and evaluating board members
- Roles, responsibilities, and functions of the board, board members, and committees
- The board structure
- The board member code of conduct
- The board chairperson's role (and the role of other executive members of the board)

To fulfil its self-governance role, the board:

- Fulfills its legal mandate, as defined in its objects and bylaws
- Develops, implements, and monitors board self-governance policies
- Describes lines of communication and authority
- Plans and conducts the Annual General Meeting (AGM)

3. Operational Governance (program, personnel, finance)

Operational governance directs the organization's programs and/or services, personnel, and financial resources, and sets the rate of progress that the organization takes towards its vision. There are three areas of operational governance:

- i) *Program:* To fulfil this function, the board:
 - Monitors the community to make sure that programs and services are relevant to users
 - Makes sure that a viable strategy is in place to achieve the mission and goals
 - Allocates resources for programs and services
 - Monitors and evaluates the results (not the operation) and the cost effectiveness of the programs and services

An administrative governing board also assumes the responsibility for managing and implementing programs. A policy governing board delegates the responsibility for managing and implementing programs to the executive director/designate.

- ii) *Personnel:* To fulfil this function, the board develops policies concerning the executive director and other staff. The board:

- Defines the board's relationship to the Senior Leadership Team (SLT)
- Delegates authority to the SLT
- Develops policies that define the role, responsibilities, and functions of the SLT
- Makes sure that the Director of Performance, Director of Coaching and Operations Manager have the necessary skills to carry out the mission
- Sets compensation and benefits for the SLT
- Makes sure that a competent replacement for the SLT is available when necessary
- Hires, evaluate, and releases the SLT
- Sets policies for staff salaries, grievance process, compensation, benefits, and health and retirement plans
- Establishes policies for the use of volunteers
- Promotes good board and staff relations

An administrative governing board also develops personnel policies for all administrative staff program and service volunteers. A policy governing board delegates this responsibility to the executive director.

iii) *Financial:* To fulfill this function, the board:

- Establishes policies for budgeting and financial reporting
- Monitors the budget
- Oversees, and participates in, fundraising activities
- Makes sure that the assets of the organization are protected and cared for
- Sets policy for the use of contracts
- Makes sure that there are enough resources to operate the organization
- Make sure that facilities are maintained, and that they meet the organization's needs
- Make sure there is an annual financial review

4. Advocacy Governance : To fulfill this function, the board:

- Interprets the organization's beliefs to the community, and encourages support for them
- Develops community awareness of the organization's unique role
- Represents the organization to the community, government, foundations, corporations, and funding agencies
- Monitors government legislation, and advises government officials on the impact of current and proposed policies
- Supports the organization's work in the community
- Participates in clarifying and resolving issues
- Develops policies that describe the organization's position on relevant issues