

# THE ELEVATOR

Volume 1 Issue 4: May 2019

A newsletter buzzing about board governance and management of condo and not-for-profit boards.

This issue brings May Day and a few showers although finally a few flowers too! May marks the start of the gardening, camping, and outdoor fun season around most of Canada, and folks at the Elevator are no exception. We are taking some time to celebrate some very important birthdays, including the 5th birthday for both [BoardSpace](#) and [Boardspace Bill](#)! Heike is outdoors enjoying the sunshine and wishing Bill a very Happy Birthday.



This month we'll talk about how to start the conversation around budgets for the board, suggest a 3-step process that will magically solve the problem of surprises at the board table, and a strategy for supporting interested volunteers with a keen interest in your organization - as they move through the process from candidate to a board seat. Lastly, we'll connect you to a job site where you can

find those new roles as a non-profit volunteer board director!

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## 1st Floor: Does your board have a budget?

Every aspect of your condo or not-for-profit's finances comes under close scrutiny. Auditors check on an annual basis to see if proper procedures have been followed for expenditures. Directors, managers, and staff agonize over budget allocations for the upcoming new fiscal year. And yet when it comes to thinking about a budget for the board - there is likely to be dead silence.

Is there a budget allocated for the board? If no, has there been any discussion about allocating financial resources for the board? If yes, great, but is it a true reflection of the actual cost of having a board?

What kinds of budget items should be included for a board? It's a good idea to include education and training, conference fees, membership fees, coffee, meals, and perhaps even a board retreat. What about recruitment fees? It costs money to advertise, even if your organization isn't retaining a search consultant.

For those boards who said no, it does not mean that there are no costs associated with having a board. Board governance is not free. Meetings have a cost. Preparing for meetings has a cost. Printing board packages has a cost. Directors' time has an opportunity cost for each person. Every director has options for the allocation of their time.

Boards of directors play a vital role for not-for-profits and condos; having a board is a legal requirement. There should be a budget for the board for two reasons.

1. Without a board budget, there is no way to know how much board governance actually costs.
2. Directors need resources to do their jobs effectively.

There is never enough money for everything most board-led organizations want to accomplish in a given year but skimping on the board is not the way to achieve cost savings.

Your board may already have a budget. If not, then it is time to create one. Take this year to review the budget versus actual costs - whether it be pizza orders, room rentals, or higher ticket items like annual retreats or professional memberships. Is it time to consider a move to board management software and eliminate printing costs? At the end of the year make sure that the board's outputs (decisions), and outcomes (impact), are providing higher value than the cost.

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## **2nd Floor: Multi-step Decision Making**

Has a scenario like the following ever happened to your board? Chris, the Chair of a Special Committee brings their final recommendations to the board. At the board meeting, the directors ask a lot of questions regarding the committee's recommendations and the discussion drags on. Chris is surprised; she had expected the board to quickly approve the committee's recommendation. Instead, the board proposed several changes to the recommendations and asked the committee to review them and come back to the board at a later date. Chris is frustrated; since the committee has been working hard for several months.

What went wrong?

No one likes to be surprised; especially directors who need time to review, think over and offer input before arriving at an informed decision. In this example, the board had not received any prior information about the recommendations and

was surprised by the direction taken by the committee with the scope of their recommendations. To prevent this situation, try the 3-step process described below. There will be less frustration and better decisions.

### **First meeting: Get Started**

The objective at this meeting is to finalize the specific task and determine who or how it is to be undertaken; ie by staff, managers or a committee and agree upon the scope of work, establish tentative dates for mid-point review and final presentation.

### **Second meeting: Mid-Point Review**

At this meeting, the objective is for the board to review progress including all known information, draft options, and remaining questions to be investigated or researched. Ask for input from directors, and take note of any questions or requests for more information. The tentative date for final recommendations is updated if needed.

### **Third meeting: Present final recommendations or report**

The proposal, project or issue is in a final format, with options and a recommendation presented to the board (where possible). There are no surprises. The board already knows pretty much what is coming. In most situations, changes at this stage would be minimal and an acceptance expected. But of course, it is always the board's prerogative to vote against, or postpone pending further work to be done on the issue.

Following these steps will help to eliminate any last-minute surprises, 'table drops', or rushed decisions. No board likes to be surprised by an immediate need for a decision, especially if packaged as a final product that they know nothing about.

If these steps sound familiar - they are! Parliament functions on a 3-step process; 1st reading, 2nd reading, and 3rd reading. This process accommodates discussion, exchange of views, and participatory decision-making. Applying these same principles at the board table will move your board toward a more inclusive approach.

If your board has a board management software you could have some automated help with organizing this three-step process. Your tool may have an annual calendar function where activities can be scheduled and agendas populated in advance - check with your provider, or search out some systems online with this functionality.

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## 3rd Floor: How to Increase Recruitment

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Condo and nonprofit boards struggle with recruiting new directors. Why is it so hard and how can boards do a better job? We tackled the issue of recruitment in our blog and focused on ways to get condo owners to take a central role in condo affairs, and on the not-for-profit side, how to reach supporters with a keen interest in the organization and support them through the application process for a board seat. [Read more](#)

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## Rooftop: The art of Zen

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The Merriam-Webster Dictionary defines zen as a state of calm attentiveness in which one's actions are guided by intuition rather than by conscious effort. Sounds relaxing! Or at least helpful.....Whether you are spending this month in your garden, at the board table, or both, bring some zen this month to your plans. Garden or boardroom, keep in mind that you are a part of an interdependent

landscape of relationships, actions, and thoughts - one where intentions are planted, and outcomes grown. Be mindful out there.

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## **From BoardSpaceBill - A tip for condo directors**

Condos and coops have a unique environment that is somewhat different than other types of board-led organizations because the membership - owners and residents - live together as neighbours. Emotions can run high when disagreements arise, or financial problems erupt.

Bill advises Directors to remain Zen during board meetings and be like him (notice the hats). Always wear the board hat during meetings to help remember that during meetings condo board director are different people. They must think and act in ways that benefit the corporation - never about themselves.

Directors think hard, debate harder and come to great decisions. But as soon as the board meeting is over, remember to replace the board hat with the owner hat and part with the other directors on a friendly basis. Everything that is said during the meeting stays in the meeting room. Never let a discussion result in hard feelings.



Bill's board hat.



Bill's owner or resident hat.

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## Resources

Do you know about the job site managed by [Charity Village](#)? You can search 'volunteer positions' and narrow the search by location and even subject area. Choose the 'Find a Job' tab, and enter keywords, your postal code, and 'Volunteer Positions' under 'Position Type'. There is an 'Advanced Search' box to add even more parameters. Many organizations out there are searching for new board directors. Volunteer today!

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Yours in good governance

Pat & Bonnie

The views and opinions are those of the authors and do not constitute legal advice.