

# Building a Board Member's Manual



A Board member's manual can be an important organizational resource in enabling boards of directors to be more effective. A manual, such as that suggested here, should be seen as an orientation resource for new members and evidence of the Board's work for existing board members. A board manual can also play a role in helping board members stay organized. The format of manual should reflect the kind of "disciplined" thinking the board wants to practice in terms of where responsibility for particular issues and policy decisions belong. Although a board manual can be a "policy manual" which keeps all the policies in one place, as suggested here it can serve a broader function.

A board member's manual should be the property of the organization, loaned to and kept up-to-date by each board member. Most organizations can not afford to produce new manuals each time someone joins the board. When someone leaves the board it should be turned over to new board members.

The production of a board member's manual does not have to be a monumental task. Getting started on it is the hurdle that stops many boards. One can begin with as little as binder, a set of tabs and the pile of papers most board members already have. Creating the manual is a job for the board, supported by staff, to think through. The board needs to "own it". The Board Secretary can play a key role in starting construction of the manual. He/she is normally the person with the responsibility for producing minutes, distributing reports and ensuring that the organization's legal documents are up-to-date.

As a dynamic resource, something always being updated, a board member's manual is best if it is contained in a three-ring loose leaf binder. A binder with a 1 1/2 spine and tabbed dividers will provide lots of room for key documents. Any office supplies store can supply sets of tabbed dividers you can customize yourself as well as binders with plastic slip covers into which you can insert a cover page and spine incorporating the name and logo of your organization.

The following is a suggested structure for how a board member's manual with eight sections might be organized. Yours may not follow this design but could be informed by some of the ideas below.

## Section One: Organizational Introduction

It may be useful for the first section of the manual to contain some quick but important reference material:

- an organizational profile
- a list of board members with contact information
- an annual planning calendar
- board member's job description and board agreement form

An **organizational profile** is a one or two-page outline which includes your mission statement or statement of purpose, a values statement (if you have one), a description of the work you do, to whom you are accountable, your organization's origin or history. It should also include the organization's telephone number, fax number, street, e-mail, web site addresses and charitable tax number. Such a profile is an introduction to the organization for new board members, and provides the language for board members to talk about it in the community. The profile may already exist in the form of a brochure.

It may also be useful for board members to have in this first section some basic financial information, perhaps a couple of pie charts highlighting where the funds come from and where they go.

This first section is also a good place for a current **list of the Board members** including telephone and fax numbers and e-mail addresses. The name of, and contact information for, the Executive Director should also be here.

One might want to include here a **board planning calendar**, a "fill in the squares", 2-4 months to a page model which will allow space to indicate board meeting dates, Annual General Meeting and other key board work dates.

Many boards have developed, as policy (see below), a job description for board members. Some also have an agreement form<sup>1</sup> outlining responsibilities to be signed by each board member when they join the board. These might be included here.

## Section Two: Governing Policies

Knowing where to look and understanding the governing policies of the organization is critical for all board members. They reveal a key aspect of the work of the Board. Therefore a section for board-level policies – a "policy manual" in effect, is essential. This section should include:

- vision, mission and values statements, objectives
- incorporation by-laws (sometimes called a "constitution")
- Board process policies
- Operational policies (board level)

The organizations statement of **mission and values**, its long term objectives and goals are key governance resources. For some organizations these might be contained in its strategic plan.

The **by-laws** or other legal incorporation documents (e.g. Memorandum of Association) should be this section. They are part of an organization's governing policies. These typically contain important information about the membership, the composition of the Board, voting and notices of meetings. These "by-laws" constitute some of the "Governance Process" policies advocated under the *Policy Governance Model*. You may want to keep the by-laws as a separate document within this section.

Another policy sub-category, **board processes**, relates to how the board conducts itself and includes role or job descriptions for board members, the chair of the board and other officers. A code of conduct and conflict of interest policy which apply to board members can also be included here, as can committee job descriptions if there are any.

The other key policy category is that of **operational policies**, those instructions developed and approved by the board to the Executive Director on how she/he is to manage the organization and achieve its goals. These will certainly include policies on personnel and financial management practices. Client safety, quality of care, external communications or advocacy practices that are the responsibility of the executive director can also be specified in policy.

If your Board follows the "Carver" or *Policy Governance Model*<sup>2</sup>, all policies will fit into one of four categories, Ends, Governance Processes, the Board-Staff Relationship and Executive Limitations. If you use a more hybrid governance model, the categories of policies in this section such as: Mission, Objectives and Values, Board Practices, Board-Staff Relations, and Operations.

Boards should not hesitate to put draft policies in this section, policies the board is working on but has not finally approved.

### **Section Three: Minutes of Board Meetings**

Your board will want to consider, as a separate section, a place for the minutes of Board meetings. As long as board members only keep current year's minutes here, it is useful as a means of everyone staying organized. The minutes of your organization's most recent Annual General Meeting (AGM) should also be kept in this section.

Remember that the Board Secretary is responsible for maintaining, separate from the Board Manual, a **Minute Book** containing minutes of all Board Meetings. Minute books should go back years and ideally there will have been one kept since the organization's inception. The minute book(s) should be kept in a safe place, ideally in a locked, fire resistance cabinet.

### **Section Four: Financial Reports and Contracts**

You will probably also want a separate section for **financial reports** including the regular statements prepared by the Executive Director or Treasurer and the current board-approved **budget**. A copy of your organization's latest audited year-end statements could also be put here.

Like board meeting minutes, financial statements are quickly out-of-date especially if you are getting year-to-date and comparison-to-budget (variance) figures every month.

If the board is responsible for negotiating, signing, monitoring and reporting in relation to **contracts for services** your organization is providing, such as those that frequently exists between the organization and government, a copy of these contracts. Or at least the portion relevant to the board's role might be in each person's manual at this tab.

### **Section Five: Executive Director and Committee Reports**

It is important to keep staff and committee reports separate from board minutes and governance policies, especially as they are often prepared for information purposes only. Like meeting minutes, such reports are quickly out-of-date and this section should be reserved for only the most current documents.

For most organizations the **Executive Director's Report** will be the most important document in this section. Attached to the Executive Director's written report may be reports from operational committees – committees that support the executive Director's work (e.g. personnel, finance, programming) provided to the board for background information.

This is also the section for where one would put copies of any **Committee Reports** from Committees responsible to the board (or committee minutes) provided to the board for information and/or action. If you are following a *Policy Governance Model* this section would only include reports from "governance committees" such as the executive committee, recruitment or nominations committee, audit committee, policy committee or fund-raising committee.

### **Section Six: Operational or Administrative Procedures**

Good governance practices suggest that boards should stay away from providing direction on every operational or management matter. Many boards have learned that their Executive Director needs the authority to, and should be held accountable for, creating detailed policies and procedures that flow from broader directions provided by board policies.

Whether or not your board plays a role in crafting and/or approving policies and procedures which describe internal processes and procedures, a separate section for these *may be useful as information* to board members. This might include specific personnel practices (hiring process, staff evaluation form, collective agreements, training plan, emergency response protocol), or financial management procedures (cheque signing, petty cash, payroll procedures, purchasing criteria).

If you are following the *Policy Governance Model*, where the detailed policies are clearly the responsibility of the Executive Director, then such a section is very useful in reinforcing the difference between governing policies (Section Two) and everything else.

### **Section Seven: Board Education**

A section on board education is highly recommended. This could contain information; some of it from outside sources, on how to run effective meetings, as well as information about your “industry” and the community you serve. This might include newspaper clippings on current issues, statistics on trends, important government policies, related national and international bodies, etc.

This might also be the appropriate section to place a board-self evaluation questionnaire and board application forms (used in recruiting).

### **Section Eight: Notices, Brochures, Misc**

Most non-profit organizations publish newsletters, program announcements, issue press releases and produce flyers. It may be useful for board members to have copies of this material in one place.

#### **Some other Board Member's manual suggestions:**

- Be sure that the board, staff and committees date all documents especially policies.
- Three holes punch everything before it gets distributed to board members.
- Encourage board members to arrive at meetings with their manual in hand.
- Include some blank, lined pages for board member's own notes and reminders
- Include a question on member's use of their manual in your board self-evaluation. (e.g. “Have you kept your manual up-to-date?”)

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<sup>1</sup> Many boards are using formal agreement forms which new board members are expected to sign and date as a symbolic indication that they take their responsibilities seriously.

<sup>2</sup> John Carver, Boards That Make a Difference: A New Design for Leadership in Nonprofit and Public Organizations, Third Edition, San Francisco: Jossey-Bass /Wiley Publishers, 2006