

Strong Club Governance Webinar "Transparency equals trust"

November 14, 2013



Presenters

- **Alan Wolf, Chair, Membership Committee**
 - Alan is an active member of the North Atlantic Figure Skating Club in Falmouth, Maine, serving as club president since 2000
 - In addition, Alan has served on the Board of Directors of the Family Ice Center in Falmouth since the day it opened in 1997 and has assisted the non-profit rink on various legal, programing and management issues.
 - Alan has served as a Board Member of various non-profit organizations for more than 25 years and is currently the President of a California Foundation that donates money to organizations for cancer research and education.
 - Alan became involved in figure skating, as a "skating Dad", through his daughter Chloe, who he watched progress from a basic skills skater to the 2008 Novice Ice Dance Champion.
 - When he is not working on skating matters, Alan is an attorney who maintains a private practice in Maine.
- **Winston Burbank, Sectional Vice-Chair of Rules and Policies, Membership Committee**
 - Prior to retiring, Winston practiced law, in the State of Alaska, for 22 years and became a Judge for the State for 7 years.
 - Served as a member of the Board of Directors for three years as the Admin/Legal Coordinator
 - Currently the Chairperson of the Audit committee and serves as a member of the Grievance Committee

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First and foremost, it's about the skaters!





Mission Statement :

As the National Governing Body, the mission of U.S. Figure Skating is to provide programs to encourage participation and achievement in the sport of figure skating.

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12 Principles of Effective Governance

- | | |
|------------------------------|---------------------------------|
| 1. Constructive Partnerships | 7. Compliance with Integrity |
| 2. Mission Driven | 8. Sustaining Resources |
| 3. Strategic Thinking | 9. Results-Oriented |
| 4. Culture of Inquiry | 10. Intentional Board Practices |
| 5. Independent Mindfulness | 11. Continuous Learning |
| 6. Ethos of Transparency | 12. Revitalization |

Reference – www.boardsource.org



Duties of a Figure Skating Club Board

1. Define mission and purpose
2. Approve and monitor programs and services
3. Ensure adequate resources
4. Ensure effective fiscal management – budget, controls
5. Engage in strategic planning
6. Recruit and orient new board members
7. Support the coaches/ rink relationship
8. Enhance club's public image
9. Effective board operation – committees, meetings, decision making and recording process
10. Ensure sound risk management – conflict of interest, proper level of insurance coverage, minimize exposures



All About Your Club

- Mission Statement
 - Answers WHO you are and WHY you exist
- Vision
 - Answers WHERE you want the club to go in the future
- Goals
 - Answers WHAT you need to do to get there
- Core Values
 - Answers WHAT is important to the club



Legal Duties and Ethical Obligations - 3 D's

1. Duty of Care

Use your best judgment and be responsible when making decisions that impact the future of the club

- Position of trust
- Actively participate; ask pertinent questions
- Careful oversight
- Eyes and ears of the organization



Ways to Demonstrate:

- ✓ Do: Consider all relevant facts
- ✓ Do: Stay informed about the organization's activities – attend board meetings
- ✓ Do: Exercise diligence in decision making
- ✓ Do: Obtain and read the minutes of all meetings
- ✓ Do: Know the bylaws and other rules of the road
- ✓ Do: Remember – Board members are NEVER free of obligation to conduct reasonable inquiry -Ask Questions!
- ✓ Do: Act financially responsible
- ✓ Do: Develop an annual calendar for board meetings with specific tasks to be done at each meeting
- ✓ Do: Delegate decision making to qualified experts – when needed
 - Regular trusted sources (accountant, lawyer)
- ✓ Do: Confirm payment of D&O and other insurance policies (Board meeting just prior to due date).
 - If have employees, confirm payment of all payroll taxes (Quarterly)
 - If independent contractors, 1099s
 - Confirm Filing of 990 form, if exempt.



Legal Duties and Ethical Obligations - 3 D's 2. Duty of Loyalty

Put your personal and professional interests aside

- Avoiding conflicts of interest
- Putting aside personal and professional interests
- Owes undivided allegiance when making decisions affecting the organization
- Board members can never use information obtained for personal gain



Ways to Demonstrate:

- ✓ Do: Always act in the best interests of the club
- ✓ Do: Above all put your Club First
 - Do: Put your child last
 - Do: Put your coach last
 - Do: Put yourself last
- ✓ Regardless of personal detriment
- ✓ Cannot use assets of organization to which board member owes duty, for the benefit of another organization
- ✓ Board members must disclose any and all conflicts
 - Annual form
 - As the situation arises
- ✓ When a board member has an interest in a matter before the board:
 - Do: Disclose the conflict
 - Do: Leave the meeting



Conflict of Interest Disclosure

Adopt and enforce a conflict of interest policy tailored to your club's specific needs and consistent with laws in your state. Board members have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest.

- Signed conflict of interest form – every year
- Clear removal from discussion and voting
- Mechanism for keeping board informed



Legal Duties and Ethical Obligations - 3 D's
3. Duty of Obedience

Be true to the club's mission.

- Obeying all laws and regulations, both public and organizational
- Always act in accord with the organization's mission



Ways to Demonstrate:

- ✓ Do: Encourage the public's trust that the organization will manage donated funds properly
- ✓ Do: A board member may not ignore what he or she believes to be illegal activity
- ✓ Don't: Act inconsistent with the central goals of the organization



The 3 D's Govern:

- Every action of the board
- All decision making
- All strategic planning
- Hold board members responsible and potentially personally liable



Effective Governance Principles

- **Ideal Board Size and Structure**

"Without a doubt, size can influence board effectiveness. In most states, state law dictates the minimum size. The board should have enough members to allow for full deliberation and diversity of thinking on governance and other organizational matters. Except for very small organizations, this generally means the board should have at least five members." –Council on Foundations, 2010

- **Board Term Limits**

Pros:

- Offer an infusion of "fresh blood"
- Enable a graceful exit for members who would like to leave
- Strengthen recruitment as potential new members or officers know they aren't committing to a life sentence
- Grow the base of board alumni
- Motivate members to complete what they'd like to accomplish during the length of their service

Cons:

- Loss of expertise of that particular board member
- Difficult recruiting new people to serve
- Hard to replace know-how or connections that some members may hold
- Loss of institutional memory - knowledge of programs and the history of issues
- Relationships held by that particular member
- Interest, which may fall off as terms are reaching their end



Effective Governance Principles

- **Board Meetings**

- should have between 8 and 12 meetings a year, with at least half of them face to face.

- **Board Education/Orientation**

- **Balanced representation - range of skills, expertise, backgrounds and perspectives**

- **Governance committee (more than nominating committee)**

- **Review of governing documents**



Governance Committee

A governance committee is one of the most influential standing committees of the board. Sometimes referred to as the nominating committee, the governance committee's main role is to recruit new board members and to ensure that each board member is equipped with the proper tools and motivation to carry out his or her responsibilities.

- Some specific duties of a governance committee include:

- assessing the board's current composition and identifying missing qualities and characteristics
- drafting a recruitment plan and continuously cultivating new prospects
- developing job descriptions for board members
- orienting new board members and continuing to educate all members on their responsibilities
- ensuring that the board regularly engages in self-assessment

Reference – www.boardsource.org



Board Effectiveness

- Board member agreement
- Board calendar
- Overseeing and approving the budget
- Using a consent agenda
- Taking and posting minutes
- Effective meetings
- Meeting evaluation
- Communication



Bylaws

Bylaws are significant written rules by which an organization is governed. They are the legally binding rules that outline how the board will operate. Bylaws are a guide and reference on how a club is structured, what rights the members have, and the procedures by which those rights can be put in effect.

Should be reviewed annually.

****Must send copy of current bylaws to HQ for club file every time there are amendments**



Must Have in Bylaws

- Bylaws are “the directions” for governing your club
- Must have:
 - Conflict Resolution
 - Conflict of Interest
- Do your bylaws make sense to you?
- Policies are separate from bylaws
- Procedures for making amendments



Must Have in Bylaws

- ✓ Official name of the organization
- ✓ Organization's statement of purpose
- ✓ Fiscal Year
- ✓ Qualifications and number of board members and officers
- ✓ Duties of board members and officers
- ✓ Board elections
- ✓ Voting requirements and procedures
- ✓ Terms and term limits of board members
- ✓ Removal and vacancies of board members
- ✓ Circumstances under which members may be expelled
- ✓ What constitutes a quorum
- ✓ Description of standing committees
- ✓ Frequency of meetings
- ✓ Notice of meetings
- ✓ Meeting procedures (such as action without meeting and meeting by telephone)
- ✓ Indemnification and insurance for officers and directors
- ✓ Bylaw amendment procedure
- ✓ Procedure for dissolving the organization and disposition of assets
- ✓ Conflict of interest statement
- ✓ Conflict resolution procedure



Board Meetings

- Your bylaws should state how often the board must meet – 8 -10 meetings per year
 - FYI: state laws determine the minimum number of meetings
- Use Robert's Rules of Order for Parliamentary Procedure – keeps meetings on time and on task
 - It is a set of rules for conduct at meetings, that allows everyone to be heard and to make decisions without confusion. Today, Robert's Rules of Order newly revised is the basic handbook of operation for most clubs and organizations. So it's important that everyone know these basic rules!
- Motions
 - The method used by members to express themselves is in the form of moving motions. A motion is a proposal to take action or a stand on an issue.
- Consider using technology as alternatives to face-to-face meetings
- Sunshine laws – must be open except when in executive session



Parliamentary Motions Guide

Based on Robert's Rules of Order Newly Revised (10th Edition)

The motions below are listed in order of precedence. Any motion can be introduced if it is higher on the chart than the pending motion.

YOU WANT TO:	YOU SAY:	INTERRUPT?	2 ND ?	DEBATE?	AMEND?	VOTE?
§21 Close meeting	I move to adjourn	No	Yes	No	No	Majority
§20 Take break	I move to recess for	No	Yes	No	Yes	Majority
§19 Register complaint	I rise to a question of privilege	Yes	No	No	No	None
§18 Make follow-up agenda	I call for the orders of the day	Yes	No	No	No	None
§17 Lay aside temporarily	I move to lay the question on the table	No	Yes	No	No	Majority
§16 Close debate	I move the previous question	No	Yes	No	No	2/3
§15 Limit or extend debate	I move that debate be limited to ...	No	Yes	No	Yes	2/3
§14 Postpone to a certain time	I move to postpone the motion to ...	No	Yes	Yes	Yes	Majority
§13 Refer to committee	I move to refer the motion to ...	No	Yes	Yes	Yes	Majority
§12 Modify wording of motion	I move to amend the motion by ...	No	Yes	Yes	Yes	Majority
§11 Kill main motion	I move that the motion be postponed indefinitely	No	Yes	Yes	No	Majority
§10 Bring business before assembly (a main motion)	I move that [or "to"] ...	No	Yes	Yes	Yes	Majority



Agenda

Organizations using parliamentary procedure usually follow a fixed order of business. Below is a typical example:

1. Call to order
2. Roll call of members present
3. Reading/accepting of minutes of last meeting
4. Officers reports
5. Committee reports
6. Special orders --- Important business previously designated for consideration at this meeting
7. Unfinished business
8. New business
9. Announcements
10. Adjournment



Using a Consent Agenda

A Tool for Improving Governance

- Promotes good time management – focus on matters of real importance
- Turns ‘boring’ meetings of reports into active discussions and time for future planning
- Easy to use but requires commitment to prepare ahead of time
- Steps to use a consent agenda:
 1. Set the meeting agenda
 2. Distribute materials in advance – submitted reports, information
 3. Read materials in advance!!! - MUST
 4. Introduce consent agenda at the beginning of meeting
 5. Remove if requested any items for further discussion – accept consent agenda
 6. Approve the consent agenda
 7. Document in minutes acceptance of the consent agenda



Using a Consent Agenda

- All board members have an opportunity to remove any items in consent agenda for further discussion
- Common items found in consent agendas:
 - Previous meeting minutes
 - Officer/committee reports (excluding Treasurer)
 - Informational materials
 - Self-explanatory/uncontroversial items
- Items to not include:
 - Financial reports
 - Approval of budget
 - Audit report
 - Items that need discussion, background information, rationales and have ramifications



Minutes

- Minutes are the permanent legal record of the meeting
- Provides information on the meeting and actions taken
- Are not a transcript – record of decisions and actions, major points for and against in debates/discussions
- **Should be posted on website or in club manual – easy access by members**
- Items to be included:
 - Name of organization, date, time of meeting
 - Board members in attendance, excused, absent
 - Existence of a quorum
 - Motions made and by whom
 - Brief account of debate
 - Voting results – names of abstainers and dissenters
 - Financial information, if included, should be general
 - Reports and documents introduced
 - Future action steps
 - Time meeting ended



Executive Session

- An executive session — sometimes called a *closed meeting* — is a useful tool
- Executive sessions provide a venue for handling issues that are best discussed in private
- They create an appropriate forum for board members to talk openly about topics that warrant special treatment
- For voting members of the board only



Board Positions/Committees

Number of board members depends on size of club – should have an odd number

Officers:

- President
- Vice President(s)
- Treasurer
- Secretary

Other (Skating specific):

- Membership Chair
- Sanction Chair
- Test Chair
- SafeSport Compliance
- Coach/rink liaisons
- Fundraising
- Community Relations
- Communications/media relations
- Social / events
- Junior board
- Governance/Nominating



Tip: Create position descriptions with time commitments, necessary skill sets, responsibilities, support, required training and review often



Conflict Resolution Process

- If any club member(s) has a complaint against another member(s) for an infraction of any bylaw or rule, they may file such a complaint in writing to the club board of directors. Such complaints will be investigated according to the adopted club's conflict resolution policy.
- Each club has the flexibility to create and adopt their own conflict resolution policy.
- By establishing solid policies and procedures that help prevent conflicts of interests and tools to deal with conflict when it occurs, you are one step ahead of the game
- Before beginning to discuss conflict resolution, we must first agree that we need to accept two principles:
 1. Committing to a decision making process that always keeps the best interests of the organization in mind.
 2. When disagreement occurs, learn to respectively disagree.



Steps for Resolving Conflict

It is advisable to create a small group of objective, uninvolved people. This "review" panel will perform the tasks of gathering information and then ultimately seeing the resolution through with the involved parties.

- Step 1: Clarify the conflict. "What's the problem?"
- Step 2: Interview the parties involved. "What's your side of the story?"
- Step 3: Identify the solutions. "What are the alternatives?"
- Step 4: Select the appropriate solution. "Here's what we are going to do."
- Step 5: Follow through and evaluate the solution.

No resolution was reached. "Now what are we going to do?"

- Determine that you have the right "objective" people involved in the resolution process.
- Go back to the beginning and attempt to work through the process again. In other words, be sure that the people mediating are not part of the problem.
- Seek the advice of the SVC of membership in your area.
- As a last resort, consult the U.S. Figure Skating grievance process.

Resource: Conflict Management and Conflict Resolution Guide



Summary of Board Responsibilities

- Board decisions represent one unified voice
- Transparency
- Eyes and ears of the organization
- Respect and trust other members
- Accept healthy conflict
- Confidentiality
- Be accountable to each other and to the club
- Review bylaws annually
- You represent the members, not your own interests
- Pay attention to what is happening at your club



Board Manual

Thorough, easy-to-use manual that board members can use throughout their terms - an orientation and resource manual

<p>The board:</p> <ul style="list-style-type: none"> • Board members' listing and bios • Board members' terms • Board statement of responsibilities • Committee and task force job and descriptions <p>Historical references of the organization:</p> <ul style="list-style-type: none"> • Brief written history and/or fact sheet • Articles of Incorporation • Bylaws • IRS determination letter • Listing of past board members <p>Strategic framework:</p> <ul style="list-style-type: none"> • Mission and vision statement • Strategic framework or plan <p>Minutes from recent board meetings</p> <p>Staff:</p> <ul style="list-style-type: none"> • Coaching staff and bios • Coaching agreements or contracts, if any 	<p>Policies pertaining to the board:</p> <ul style="list-style-type: none"> • Policy on potential conflicts of interest • Insurance policy coverage • Travel/meeting expense reimbursements <p>Finance and fundraising:</p> <ul style="list-style-type: none"> • Prior-year annual report • Most recent audit report • Current annual budget • Form 990 <p>Other information:</p> <ul style="list-style-type: none"> • Membership Roster • Annual calendar • Event policies and procedures • Web site information • Promotional material (membership brochure, information brochure, advertisements, etc.) • Volunteer Interest survey responses
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Membership Records

- Membership year is July 1- June 30
- May begin registering members on June 1
- Once a member pays their club fees - process their U.S. Figure Skating membership immediately – little to no lag time
- Update Club Officers annually & when changes
- Use 'Member's Only' site for online registration, rosters, archives
- Contact Member Services if you have any questions
719.635.5200 or memberservices@usfigureskating.org



How do you rate?

Governance: Do we clearly understand governance and how we can more effectively govern our figure skating club?

- There are clearly defined roles for board members
- We evaluate and update our bylaws annually
- The business of the board is conducted effectively (i.e. business meetings with consent agendas, minutes, record keeping, etc.)
- We have a policy manual and/or handbook that is updated annually
- We have board notebooks (includes, bylaws, back minutes, strategic planning documents, etc.)



How do you rate?

Legal and Ethical Responsibilities: Do we clearly understand our legal and ethical duties to the figure skating club?

- Board members, coaches, skaters and parents sign a code of conduct form
- Board members sign a conflict of interest form annually
- The board monitors conflict of interest on an ongoing basis
- Board and coaching staff understand and are committed to mission of the organization
- The board members understand and accept their legal responsibilities



Final Thought

When making a decision:

Ask if your decision was in the best interest of the club as a whole.



Your Best Resource:

www.usfigureskating.org

“Clubs” homepage → “Resources and Forms”

- | | |
|--|--|
| <ul style="list-style-type: none"> • Nonprofit Guidebook • Sample bylaws • Club Finance guidebook • Club Fundraising guidebook • Basic Skills Director’s handbook • Conflict Resolution guidebook • Club Update forms | <ul style="list-style-type: none"> • Volunteer Recruitment Information • Customized Commercial, Dasher Board and Banner order forms • How to Host a Camp, Clinic, and Seminar • Board Member Agreement form • SWOT Analysis Form • Sample Rink/Club Contract |
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“Clubs” homepage → “Risk Management”

- Waiver and Release forms
- D and O Insurance
- Coach Liability Insurance
- Accident Report forms
- Certificate of Insurance



Contacts

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