



ALTRUVEST

Performance Improvement for Charities

**Governance Capacities & Needs of Small
Ontario-Based Nonprofits**

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It is with heartfelt thanks to the 200 small nonprofits and 248 individuals throughout this province, who took time from their busy schedules to inform the findings in this study.

Without the funding from the Ministry of Citizenship and Immigration (MCI), this project would not have been possible. Additionally, our esteemed panel of peer reviewers deserve accolades for their patient review and thoughtful feedback on the draft document.

Mel Gill's "Board Effectiveness Quick Check" provided a tested tool to assess governance capacities and needs. The information *mined* from that resource validated findings and introduced participants to the importance of evaluation. Many focus group attendees appreciated the opportunity to purchase *Governing for Results* at cost and receive a working copy of the Quick Check to share with their boards.

A number of individuals and organizations helped broadcast invitations across the province in order to engage respondents. Special thanks to Charity Village, Canadian FundRaiser, the Ontario Trillium Foundation, Ontario Community Support Association, the Foundation for Rural Living and MCI for their added efforts.

Executive Summary

Overview & Methodology

Small nonprofits provide a wide range of services for the benefit of local communities across Ontario. A review of research literature reveals that these organizations are uniquely positioned to deliver vital community services that are “not profitable or appropriate for the private sector to deliver and that the public sector does not provide or cannot deliver as effectively or efficiently”¹

Altruvest’s long term goal is to develop a program focused on strengthening the governance capacity of Ontario’s small nonprofit organizations. To design a program that would best meet their needs it was necessary to first gain an understanding of their existing governance knowledge. This foundation of knowledge was built through a two-part study. Part I was to research and inventory governance resources intended to help small nonprofit organizations strengthen their boards. Part II solicited input directly from nonprofit managers and governance leaders to learn more about the strengths and struggles these individuals experience while operating small nonprofits in Ontario. This report presents and discusses the findings of Part I and Part II.

While there appears to be no standard definition of “small” as it relates to these organizations most research studies reference a combination of staff size and budget as parameters. The VSI report “Caught in the Middle – What small non-profits organizations need to survive and flourish” defines small by income up to \$100,000². A joint research paper published by Imagine Canada and CPRN³ defines small as organizations with 0-4 staff. For the purpose of this study we used a flexible definition of small nonprofit organizations as those with budgets of \$500,000 or less and/or staff of 0 to 5.

Summary of Part I and Part II:

Part 1: Research and catalogue governance tools, resources and practices for small nonprofits

- Altruvest catalogued 525 resources generally available free or at a low cost. Although 15% of the resources were specifically relevant to small nonprofit organizations much of the information in these resources is transferable with time and effort. Without a centralized source of governance information targeted to their needs staff and board members have to sift through a significant amount of data before locating appropriate resources.

¹ “Building blocks for Strong Communities Key Findings and Recommendations” Imagine Canada and Canadian Policy Research Networks March 2006 p.5

² “Caught in the Middle: What small non-profit organizations need to survive and flourish” by Linda Roberts December 2001 Voluntary Sector Initiative

³ “Profile of Small and Medium Sized Organizations in Canada” March 2006 Imagine Canada and Canadian Policy Research Networks.

Part 2: Organizational scan and governance analysis of small nonprofits across Ontario

- Altruvest invited their network of local community based groups and nonprofit contacts to self identify using our definition of “small” and to participate in one of three information gathering methods - focus group, telephone interview or online survey.
- 200 organizations across Ontario contributed, with a total of 248 individual participants representing 27 communities.
- The majority, 72% of the organizations had an annual budget of less than \$300,000, with 19% having no staff and 65% having between 1 and 3 staff.
- 93% of respondents were registered charities.

Given that research has shown a direct correlation between effective governance practices and strong, effective organizations⁴ it follows that directing resources towards building governance capacity will have a ripple effect through all organizational systems. It is one way of supporting the long-term sustainability and resiliency of small nonprofits.

Another important piece of research discusses the “churn rate” – the number of organizations that are “born and die” each year - among nonprofit organizations. According to *A Profile of Small – Medium-Sized Organizations in Canada* the vast majority (88%) of the total churn in the charitable and nonprofit sector is among organizations with fewer than five paid staff.⁵ This finding is significant given that over 70% of the total participants in this study are within this category. To maximize the probability of survival and support the sustainability of small nonprofits it is necessary to invest in their governance infrastructure.

In order for Altruvest to determine how best to design a program that would strengthen the governance capacity of small nonprofits this study examined the current level of governance understanding within these organizations by exploring the following questions:

- What is their governance knowledge?
- Do individual board members have access to training opportunities?
- What are their biggest governance challenges?
- What are the strengths found within these organizations’ governance practices?

Through the results we aim to build a better understanding of small nonprofits including their level of governance knowledge and practice, their governance training needs, and their preferred training delivery methods.

⁴ “Prospecting for practical methodologies to examine links between Governing boards’ performance and organizational effectiveness” Mel Gill 2004

⁵ “Profile of Small- and Medium-Sized Organizations in Canada” March 2006 Imagine Canada and Canadian Policy Research Networks

Invitations to participate in this study were extended to 2130 contacts across the province. Intermediary organizations, funders and web newscasters were also asked to broadcast the invitation. Below you will find the breakdown of participants by outreach method and community.

METHOD	RESPONSES
Focus Groups:	10 Communities: Aurora, Brockville, Chatham, Guelph, Hamilton, Kitchener, Mississauga, Peterborough, Thunder Bay, Toronto 59 organizations 90 participants
Online Survey	132 organizations 146 responses
Phone Interviews:	9 organizations in the following areas: Algoma; Barrie area; Nipissing, Parry Sound, North Bay; North Eastern Ontario; Sault Ste. Marie; Thunder Bay x 2; Timmins; Waterloo Region 12 participants

Findings and insights gained from the participants:

- What does good governance mean to you?

When we asked the 248 participants what good governance meant to them, the majority of the responses focused on single components of governance, such as ‘accountability’, ‘pursuit of mission.’ Answers such as “having an active board” or “performing the role we say we’re going to perform” were common. Comparing these responses to the definition of governance used by Altruvest as “the process, structures and organizational traditions that determine how power is exercised, how decisions are made and how accountability is enacted” the findings suggest that the general understanding of good governance is relatively fragmented. We propose that the majority of participants would benefit from training to gain a more in-depth perspective of the multi-faceted concept of governance. Complementing this training would be a tool kit of resources to support the infusion of good governance into their board culture and practices.

- How does the board measure its effectiveness?

Responses from the 248 participants indicate that measuring effectiveness revolves primarily around the achievement of goals/plans, and financial results. Of those remaining respondents 16% had **no method** of measuring effectiveness and another 5% were uncertain if they had any method of board evaluation. Of the organizations that are conducting some form of evaluation the majority are utilizing only 1 or 2 components of governance as a measure of their effectiveness as a board.

There appears to be a connection between the way respondents compartmentalize their reflections on good governance and their perspective on board evaluation. In order to evaluate board effectiveness it is essential to start with an agreed upon understanding of governance principles and utilize intentional board practices to actualize these principles. It follows that small nonprofits would benefit from training, tools and resources on board evaluation, and how measuring board effectiveness contributes to good governance.

- Does the Board Understand its Roles and Responsibilities?

Within the online survey this question was framed as a yes/no answer and of the 123 responses 77% stated that they had a clear understanding of their roles and responsibilities. The responses were further broken down between board and staff - 81% of board members indicated they had a clear understanding of their role - while 74% of senior staff thought their board clearly understood their roles.

In contrast the majority of responses from the telephone interviews and focus groups suggest that roles and responsibilities are *not* fully understood. Some comments that indicate the discrepancies include:

“Need to educate our board in Roles & Responsibilities” (Toronto FG)

“At times, roles overlap – new group needs to redefine everything” (Chatham Kent FG)

“Initially not much clarity” (Hamilton FG)

“When do you want people to jump in and when do you not” (Kitchener FG)

While the online survey results indicate that roles and responsibilities are generally understood the focus group responses leave us with the sense that there is a large gap between understanding of good governance, its definitions and frameworks, and the practical application and implementation of this knowledge. The inconsistent responses regarding the understanding of roles and responsibilities lead us to believe that there is a need for governance training and role clarification.

- How do you prepare new board members for their role?

Further insights were gained when organizations were asked how new board members are prepared for their role. Of the 123 online survey participants, 22% responded that they had **no method** of orientation. Of those that offer orientations verbal orientation was the most prevalent method according to 68% of respondents and 59% support verbal with written orientation. Only 8% of respondents required board member participation in any governance training. The comments from participants support the expectation that board members are to have governance knowledge prior to joining the board or be responsible for their own education. Overall, preparation and orientation for board members was inconsistent. There are a variety of possible barriers that may prevent small organizations from providing their boards with a thorough orientation: time and availability, prohibitive cost, motivation, and commitment.

There appears to be a need for easily accessible and affordable governance training and a dialogue among small nonprofits about including this type of training in their board member orientation.

- What functions do you feel your board performs well?

When asked what function they felt the board was doing well, out of the 120 online survey respondents 75% thought financial oversight was done well followed closely by setting vision and mission. Only 11% of the group thought that board evaluation and development was done well which relates to the above comments on measuring board effectiveness.

Only 33% identified fundraising as a function being done well. This creates tension between board and staff regarding fundraising roles and responsibilities given that the board's role in fundraising scored high on the list of training needs identified in the online survey. These findings tie in with the importance of role clarity and the benefit of board member/senior management governance training. Without adequate education and resources many board members may not understand the importance of their role in supporting fundraising functions of the organization nor would they have the expertise to do so.

In addition, the online survey indicated that of 117 responses, only 54% thought oversight of the senior staff, a key responsibility of the board, was done well.

Among the focus groups and telephone interviews utilizing Mel Gill's Board Effectiveness Quick Check tool, evaluating the senior staff performance, board orientation and the clear understanding of the respective roles of the board and staff were the most challenging.

While training and personal development were regarded as important by all the participants, the majority of the feedback told us that it was left up to the individual. Within the online survey group, out of the 116 responses 65% did not have any budget dollars allocated for governance training, which correlates to the previous comment on inconsistent board orientation and the accessibility of affordable training.

Training needs for small nonprofits are further highlighted when we recognize the abundance of reference material on nonprofit governance (as noted in Part I of this project). Based on focus groups comments such as "*We don't know what we don't know*" and "*Don't give me something else to read – let me talk to someone!*" we surmise that the greater challenge for small nonprofits is having the time and energy to review, assimilate, and practice new learning without any form of training, education, support or follow-up.

Lack of time was an overall concern for these small organizations. When asked to outline the barriers or challenges anticipated to implement training or board improvement strategies, online survey respondents had multiple answers. Out of 116 who completed this question there were 168 comments. At 68%, Time was the number one issue, followed by Funds 35% and Board Commitment or Motivation at 26%.

An organization's size often parallels its placement along the life cycle. Typically, those in the start-up phase are smaller with limited access to human and other resources. With the majority of these small nonprofits, board members are often involved in hands-on service delivery and day to day operational activities, which may leave little time left to set aside for building effective boards and governance infrastructure⁶. Our findings lead us to believe that further study on the organizational life cycles and board typologies would enrich dialogue on the governance needs of small Ontario nonprofits.

⁶ "Boards Of Directors In Non-Profit Organizations: Do They Follow A 'Life Cycle' Model?" Ray Dart, Pat Bradshaw, Vic Murray, Jacob Wolpin, Faculty of Administrative Studies, York University, 1995 Nonprofit Management and Leadership

Summary of Recommendations

1. Train and support boards to strengthen the effectiveness of small organizations provided it is within their budgets and creatively addresses the competing time constraints of board members and staff. Based on feedback from this research, key areas of training are:

- The components of good governance and how to put them into practice
- Developing clear outline of roles and responsibilities
- How to evaluate the effectiveness of the board
- How to oversee/evaluate the senior staff member
- How to plan (to ensure measurable goals are set so that effective evaluation can occur)
- How to fund raise (as a team effort with well-defined roles for community engagement)
- How to provide effective orientation to new board members

2. Develop a toolkit for small organizations that include check lists and templates to provide leaders and managers with easily-accessible resources to promote a more focussed and efficient use of available board and staff time.

- Pocket guide summary of good governance
- Key components of a board orientation package
- Sample board job descriptions and documents
- Checklist for measuring board effectiveness

3. Ensure that a variety of delivery methods are used when providing information and training so that participants can access training regardless of their location in the province and allows for flexible time availability. Ideally this learning experience will include discussions, exchange of ideas, and coaching opportunities.

4. Include both the board and the senior staff person (where staff exists), in training opportunities. This will enhance the relationship between the senior staff and the board to create a productive partnership between the two; training one or the other alone overlooks that opportunity.

5. Establish an Ontario hub of expertise in governance where small organizations, current, and prospective board members can go for accessible nonprofit governance information and affordable training opportunities that addresses their governance and leadership needs. This initiative would be most effective if generated through the development of an Ontario Small Nonprofit Advisory Group including key stakeholders from these agencies.

Section 1 - Background Rationale

1.1 Current Knowledge of Small Organizations:

Small non-profits provide a wide range of services for the benefit of local communities across of Ontario. A review of research literature reveals that these organizations are uniquely positioned to deliver vital community services that are “ *not profitable or appropriate for the private sector to deliver and that the public sector does not provide or cannot deliver as effectively or efficiently*”⁷.

While there seems to be no standard definition of ‘small’ as it relates to these agencies, most research studies seem to look to a combination of staff size and budget as parameters. The VSI report “Caught in the Middle - What Small Non-profit Organizations need to survive and flourish” defines small by income of up to \$100,000⁸. A joint research paper published by Imagine Canada and CPRN⁹ defines small as organizations with 0 - 4 staff. For the purposes of this initial phase of the project, we suggest a flexible definition that incorporates both parameters: organizations with budgets of \$500,000 or less and/or staff of 0 to 5.

Although their size offers these organizations some advantages over their larger counterparts, such as greater agility and quicker responsiveness to client needs, there are several challenges that seem to be common among them. These include: depending on a small inner circle of key volunteers who do most of the work, being financially fragile, and suffering from isolation.¹⁰ Because of their limited resources, these organizations often do not have access to appropriate training or support in developing their capacity in key areas such as governance, management and leadership. Without this support, many of these agencies will consume resources, burn out their volunteers and in some cases, implode, leaving behind gaps in services for the marginalized communities they were created to serve.

1.2 Governance in Small Organizations:

Research has shown that there is a correlation between effective governance practices and strong, effective organizations.¹¹ Directing resources towards building capacity in the area of governance will have a ripple effect throughout all organizational systems and is one way to support the long-term sustainability and resiliency of small nonprofits.

⁷ “Building Blocks for Strong Communities Key Findings and Recommendations” Imagine Canada and Canadian Policy Research Networks March 2006 p. 5

⁸ “Caught in the Middle: What small, non-profit organizations need to survive and flourish” By Linda Roberts December 2001 Voluntary Sector Initiative

⁹ “Profile of Small- and Medium-Sized Organizations in Canada” March 2006 Imagine Canada and Canadian Policy Research Networks

¹⁰ “Juggling on a Unicycle - The Distinctiveness of Small Voluntary Agencies” <http://www.lse.ac.uk/collections/CCS/publications/Small-Agencies-pubs/small-agencies.htm>

¹¹ “Prospecting for practical methodologies To examine links between Governing Boards’ Performance And Organizational Effectiveness” Mel Gill 2004 <http://www.synergypartners.ca/documents/Prospecting%20For%20Practical%20Methodologies%20To%20Examine%20Links%20Between%20Governing%20Boards%27%20Performance%20and%20Organizational%20Effectiveness.pdf>

An organization's size often parallels its placement along the life cycle. Typically, those in the start-up phase are smaller with limited access to human and other resources. (Some more mature nonprofits may also fit the definition of small, strategically choosing not to grow in order to maintain their flexibility).

Board members of smaller organizations typically wear multiple hats, are often involved in hands-on service delivery as well as performing management tasks (planning, coordinating, directing etc.) and governance oversight. In many cases, the lines between governance and management roles are blurred to such a degree and board members are so entrenched in day to day operational activities that fiduciary and strategic governance functions are absent.¹² Key challenges of a board at this stage of development may include:

- Board members with little or no understanding of the importance of governance or their fiduciary responsibilities;
- Limited resources to access training or education on basic governance roles and responsibilities; and
- Limited understanding of basic small group practices and dynamics that facilitate effective, results-driven board practices and procedures.

Many organizations at this stage may also have limited knowledge of what resources or supports might exist and often are so busy focusing on daily tasks that they may have little time to set aside for building effective boards and governance infrastructure. Since these agencies are not merely lesser developed versions of larger nonprofits, any interventions designed to strengthen their organizational capacity and governance, must take into account their distinctive characteristics and unique challenges.

1.3 Guidelines for Effective Governance:

Accountability, transparency, disclosure, strong leadership, and effective governance are growing concerns for nonprofit organizations, highlighted primarily by the *Broadbent Panel on Accountability and Governance* published ten years ago.

What is governance? And what makes it effective? Within the nonprofit sector, there are several experts to whom one can look for knowledge and training in this field. For the purposes of this report, four sources have been identified as guidelines for effective governance: Altruvest Charitable Services and their governance focused work in the voluntary sector; Mel Gill and his well-known Canadian publication, *Governing for Results*, BoardSource's *The Twelve Principles of Governance that Power Exceptional Boards*, and the highly acclaimed *Governance as Leadership* by U.S. authors, Richard Chait, William Ryan and Barbara Taylor.

¹² "Boards Of Directors In Non-Profit Organizations: Do They Follow A 'Life Cycle' Model?" Ray Dart, Pat Bradshaw, Vic Murray, Jacob Wolpin, Faculty of Administrative Studies, York University, 1995 Nonprofit Management and Leadership

Section 2 - Key Findings

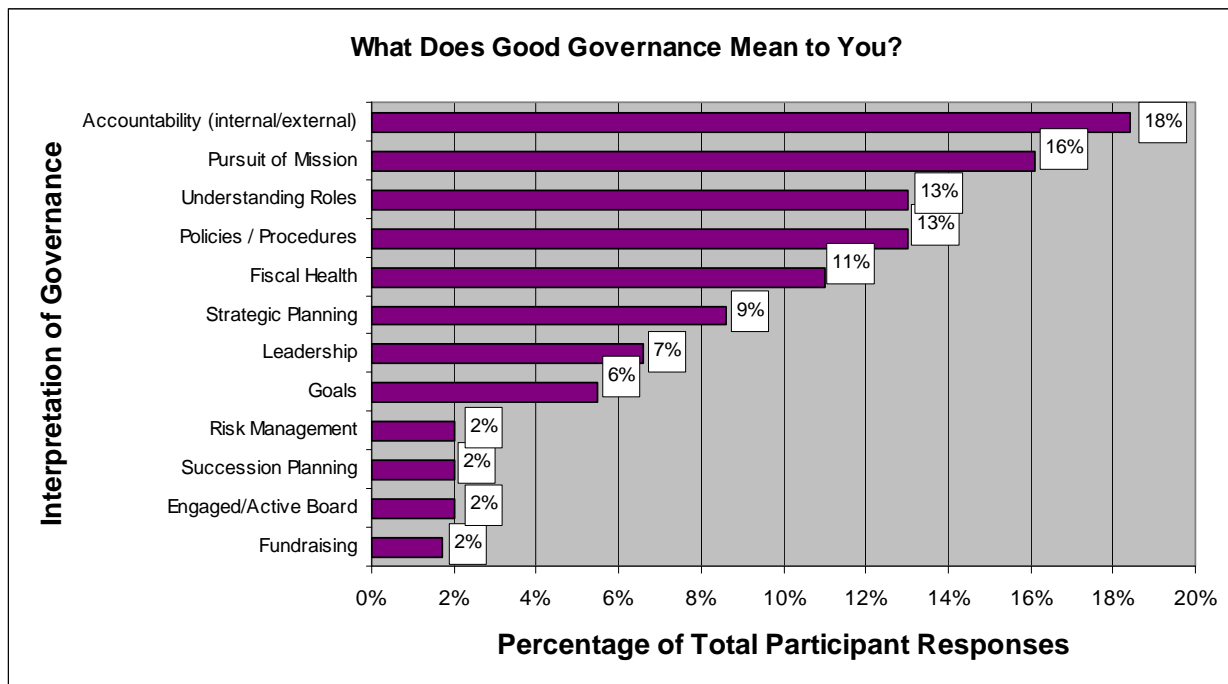
2.1 Governance Practices of Participants

What Does Good Governance Mean to You?

The results of this question demonstrated a level of understanding of good governance components but didn't delve into how effective each organization was at delivering on the ideals. Within the focus groups many agreed it was "easier said than done".

There was also room for interpretation and the following categories were based on the majority of comments. External perspectives like "ambassadors" and examples of "board diversity or representation" were included under "accountability". "Pursuit of mission" captured a number of generalizations that reflected the organization's reason for being. Responses were included from all three methods, for all the participants and broken down into the following:

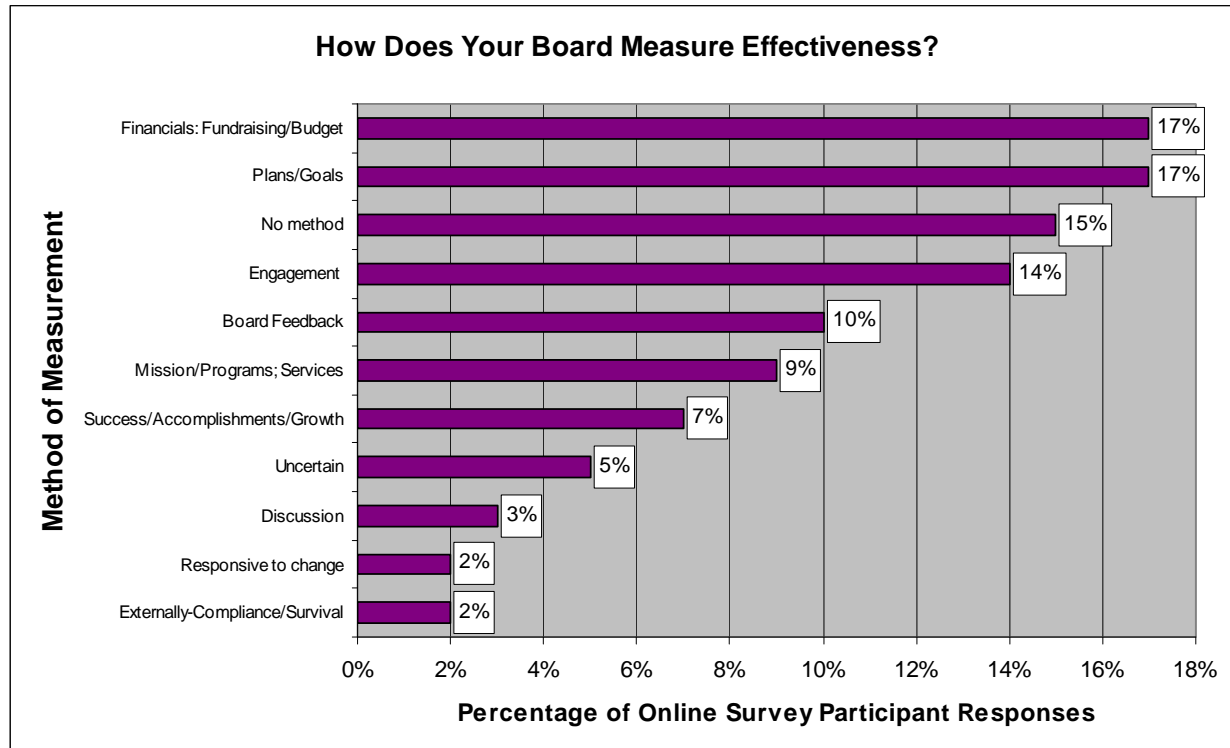
Graph 1



How Does Your Board Measure Effectiveness?

In the online survey, this was posed as an open-ended question and allowed for any number of responses as needed by the participants, therefore out of 121 responses, there were 177 comments. The responses have been sorted by subject matter into the following categories:

Graph 2



While the majority of these evaluation methods are subjective, less measurable approaches, the higher percentages were in: Plans/Goals and Financials, Fundraising/Budget.

Out of 42 focus group responses, 21% were based on board and community engagement, 21% was through board feedback, 19% had no method of evaluation (but two organizations were working toward introducing something soon) 15% held discussions, 7% were measured against plans and goals, 5% were externally driven, 3% were based on accomplishments.

Within the phone interviews, level of engagement and financials ranked as the most common evaluation methods.

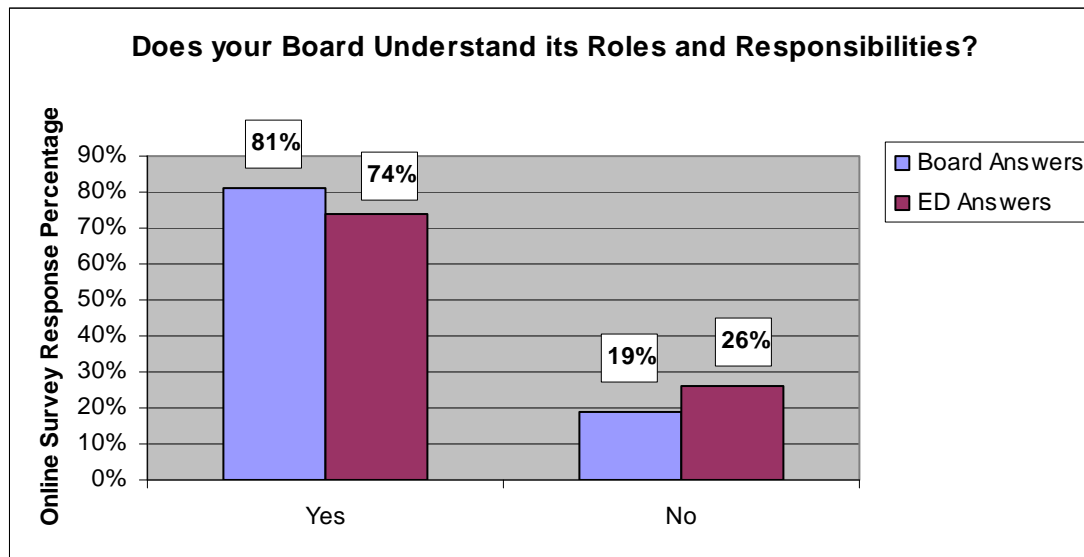
Some quotes on **measuring effectiveness** that are worth mentioning include:

- “Through an annual survey – which often no one fills out.”
- “Fair – difficulty in gaining and retaining board members”
- “Quality and commitment of staff and board members”
- “Board turnover”
- “At the Annual General Meeting members have an opportunity to express their concerns or interests”
- “Effectiveness and participation in decision-making, engagement and participation of leaders”

Understanding Board Roles and Responsibilities

This question was posed as a yes/no answer in the online survey. It appears that roles and responsibilities are quite clearly understood, even when one compares the board answers to that of staff. However, based on the verbal feedback in the focus groups one could question whether these responses truly reflect some of the challenges faced, particularly in non-staffed organizations.

Graph 3

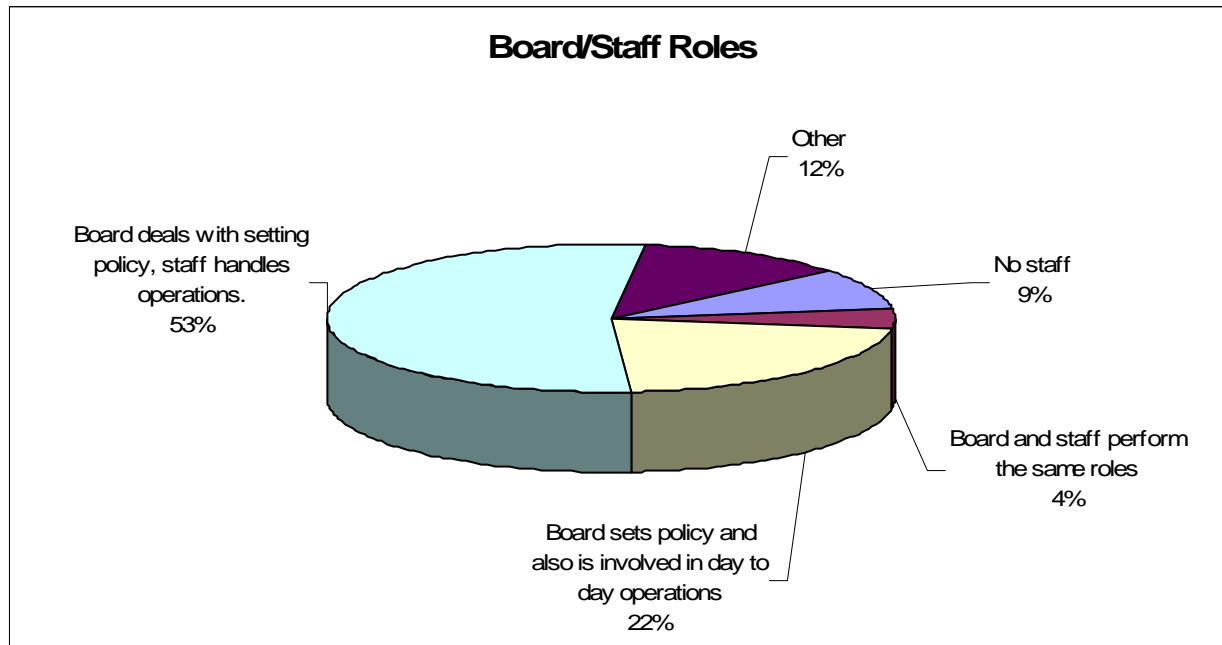


Some evidence of the discrepancies included:

- “Need to educate our board in Roles & Responsibilities” (Toronto FG)
- “Micro management” (Mississauga FG)
- “Initially not much clarity” (Hamilton FG)
- “Problems arise when there’s a blurring of role – boards that are more operationally involved” (Kitchener Waterloo FG)
- “Clear statement of Roles and Mandate of Authority (guiding document) – who’s responsible for what – we still have gaps – challenge to make the document a living one even when consulted regularly” (Peterborough FG)
- “At times, roles overlap – new group needs to redefine everything” (Chatham Kent FG)

How does the board role differ from that of the staff?

Graph 4



Apart from the categories defined in the online survey question, the remaining feedback has been captured in the “other” section and comments included:

- “Makes decisions when asked”
- “Executive Director seems to run the show”
- “Staff run the day-to-day programming, board decides mainly financial issues and fundraising”
- “The board does some hands on work that goes beyond policy but not day-to-day”
- “It depends on the situation – some board members are involved in some operations; in other instances, the staff is more of the leader and does the majority of the work”
- “The Board allows the President to handle and run the Museum”
- “Staff is responsible for operations while the board is responsible for everything else”

Note that only one of seven comments mentions the board’s role in developing policy.

When asked how organizations prepare new board members in the online survey, 83 out of 123 respondents (67.5%) provide a verbal orientation to incoming members with 73 or 59.3% also providing a written manual. 22% of the group however had no formal process. In addition 81 or 66% stated that they did not offer any type of refresher orientation for existing members.

2.2 Strengths of Participating Nonprofits

Drawing out organizational strengths was difficult in the focus groups as most people found it easier to identify their faults, but the highlights of their efforts included:

- Commitment and passion for the mission
- Increasing clarity of roles and responsibilities
- Flexibility and are adaptable to opportunities

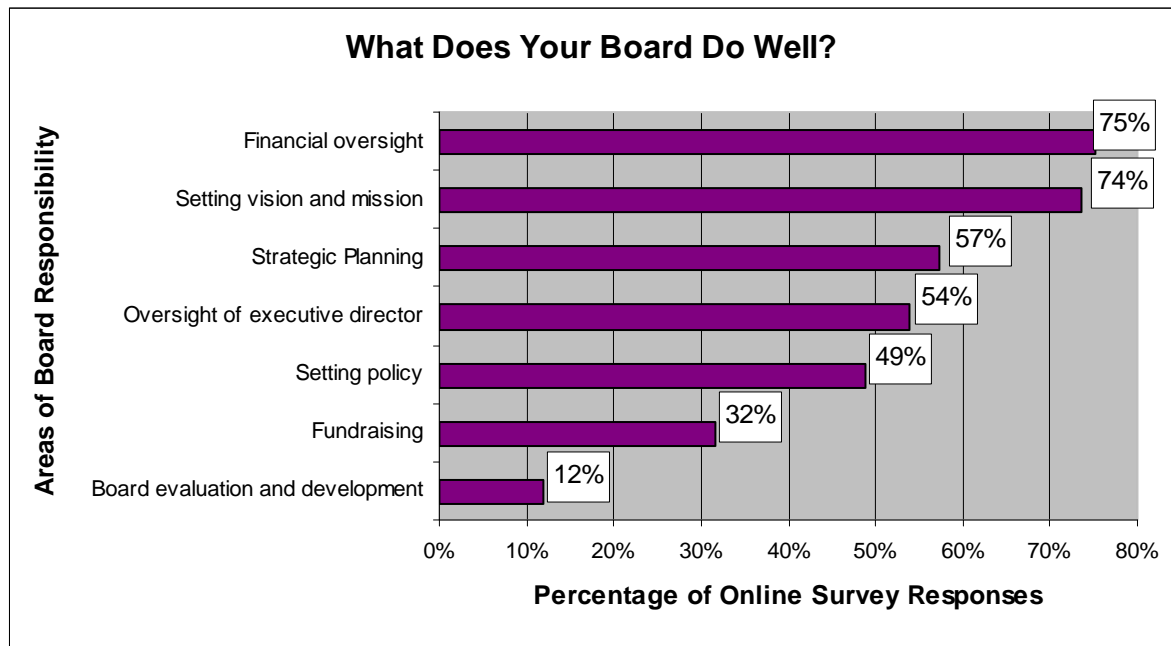
Based on an analysis of Mel Gill's **Board Effectiveness Quick Check** (which was completed by all focus group and phone interview participants) the top 3 areas identified as strengths were:

1. Productive working relationship between the board and CEO
2. Efficient use of the organization's resources
3. Commitment to the mission and values of the organization

In the online survey, based on the suggested areas, the top 3 strengths identified were:

1. Financial Oversight
2. Setting Vision and Mission
3. Strategic Planning

Graph 5



In telephone interviews both Financials and Planning were identified as strengths. One organization said they were “*good at being small*” which helps them respond effectively to client needs. Community partnerships and board engagement were indicated as strengths in the phone interviews.

2.3 Participant Challenges

The most common responses throughout all discussions and survey results were:

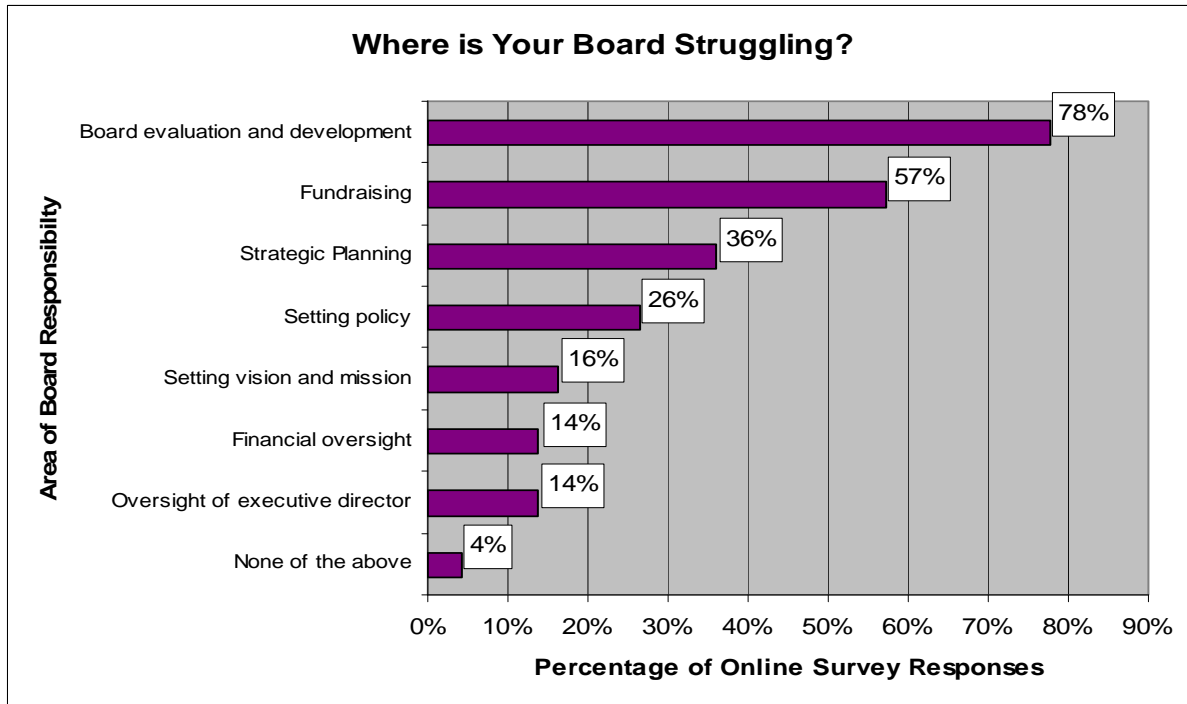
- Lack of time, talent and/or energy
- Misunderstandings about what *good* Governance (including Roles & Responsibilities) means or looks like, despite efforts by many to strengthen board leadership
- Difficulty recruiting board and committee members, therefore, too much work for too few people and subsequent or inherent burnout
- Accessing local, affordable training opportunities (particularly in rural and remote locations)
- Project-related funding from government doesn't support general operations and contributes to internal instability

Along with the discussions, networking and shared wisdom that resulted from the focus groups, the **Board Effectiveness Quick Checks** revealed an objective view of organizational challenges. The following are the top five **problem-areas** that the questionnaire identified:

1. **Evaluating the CEO's performance** (referring to the chief executive officer, executive director, senior manager, management team leader, staff coordinator and other similar designations) was the lowest score identified.
2. **Board Orientation** ranked second lowest which is often what leads to a misunderstanding of roles and responsibilities.
3. **Demonstration of clearly understanding the respective roles of the board and CEO** ranked third lowest.
4. **Financial Stability of the organization** ranked fourth.
5. Building **Stakeholder Credibility** is another challenge ranking fifth.

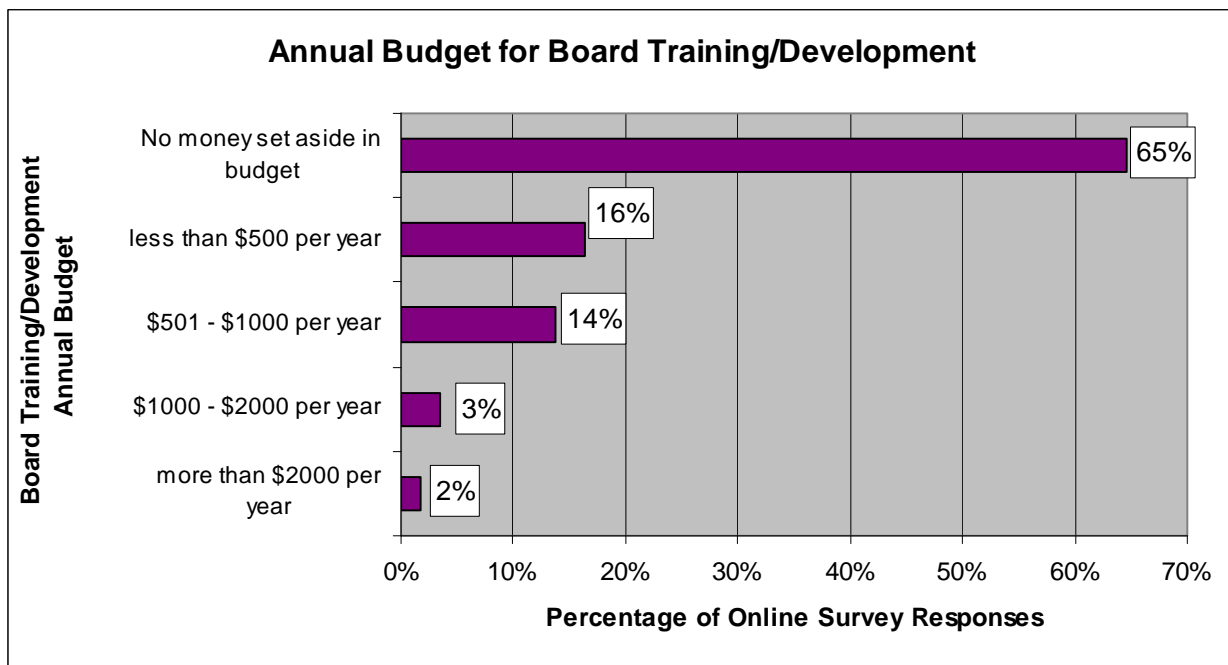
The 117 responses from the **online survey** also provided some objective information that should be noted. Based on the questions asked, the greatest challenges included Board Evaluation and Development, followed by Fundraising and Strategic Planning.

Graph 6



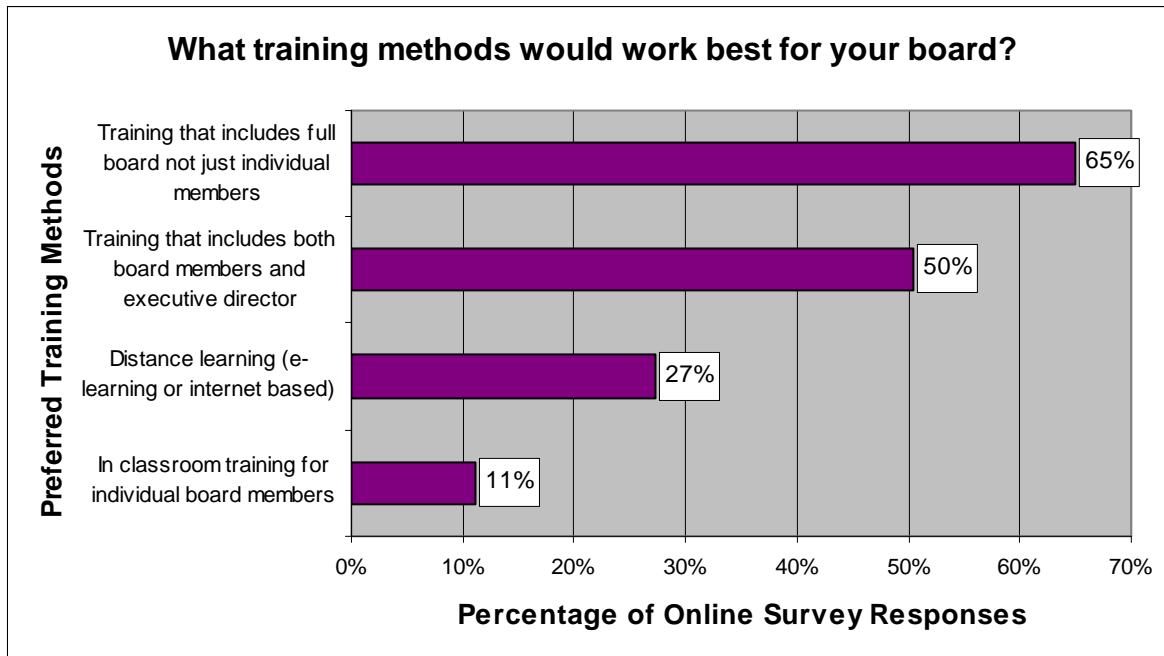
In light of these findings it is significant that almost 65% have no money set aside for board training and development and another 30% have less than \$1000 annually.

Graph 7



The online survey inquired about training delivery and participation. The results identified the following, based on multiple responses from each participant:

Graph 8



The most relevant topics identified in the online survey to help strengthen board function included:

- Board's role in fundraising
- Board recruitment and succession
- Board evaluation

While the above-mentioned subject areas were reinforced during the focus groups and phone interviews, other suggested areas for training were:

- More "Governance 101" like risk management, speaking with one voice, typical performance measures, meeting etiquette, legal requirements and liabilities, reading financial statements, transparency to stakeholders
- Media training for board chairs
- Understanding group dynamics
- Theory on decision-making

Considering advancements in technology have helped close the gap of available training and resources, organizations based in rural and remote areas may still have challenges that could require further investigation. Nonprofits that aren't based in urban areas may not be able to access high-speed Internet that would be required to attend online training or download extensive resources.

When asked what barriers or challenges are anticipated to implement training or board improvement strategies, online survey respondents had multiple answers. Out of 116 who completed this question there were 168 comments. At **68%**, **Time** was by far, the number one issue, followed by **Funds 35%** and **Board Commitment or Motivation** at 26%.

Section 3 - Key Challenges

Evaluation & Measuring Effectiveness

Evaluation was a weakness identified by most organizations in this study. In nonprofits that have hired one or more staff, *oversight* of the Executive Director (or senior staff equivalent) was quite strong but **evaluation of the senior staff** was a definite shortfall (ranked weakest in the Board Effectiveness Quick Check). The most highly ranked “struggle” in the online survey under Board Function, regardless of the size, identified “**Board Evaluation and Development**” as the number one issue.

Measuring results against goals requires a concerted effort and approach. Lack of engagement at this level could be caused by time constraints, comfort level, challenges in defining measurable goals to evaluate against, good evaluative tools or any combination of the above. Based on some comments, and the fact that volunteer recruitment is an ongoing issue, there is also a fear of losing or scaring away hard-won help by introducing more formal systems.

“Who oversees the board?” (Peterborough FG)

“Have board terms but hard to ask them to leave” (Peterborough FG)

“When you impose expectations you can lose good people” (Toronto FG)

“Disagreement is challenging” (Toronto FG)

“Policies can be taken personally” (Kitchener Waterloo FG)

Roles and Responsibilities

The positive responses identified within the online survey regarding the board’s understanding of roles and responsibilities did not correspond with the results of the Board Effectiveness Quick Check or the subjective feedback acquired during this study. Of the 123 online survey respondents, 81.2% board and 73.7% staff agreed roles were understood, compared to the Quick Check results that ranked this area as one of the top three challenges.

Clarity and understanding inevitably depend on how well or regularly the organization revisits roles and responsibilities, discusses *who* should do *what*, and documents mutual agreements. Role clarity is also dependent on the percentage of organizations that provide orientation to incoming members or *re-orientation* for existing members. While almost 60% of online survey respondents provided “board orientation manuals”, there is no guarantee with limited follow-up to ensure that newcomers assimilated or understood the contents of a binder. 34% of those surveyed offered “refresher” orientation opportunities, while 22% paired newcomers with a seasoned board member.

A “buddy system” for incoming board members can be very effective, but it can also be counter-productive. Considering the number of respondents who believe they understand governance roles and responsibilities, compared to the results of the Quick Check and comments made in all three methods of study, it may be difficult to find suitable role models. Even the most seasoned board members may have trouble infusing their governance ideals into a board or organization that is caught in a reactive cycle.

Fundraising

Fundraising was another major struggle in the online survey. That topic isn’t directly questioned in Gill’s Board Effectiveness Quick Check (although one about whether the organization is financially sound [viable and stable] indicated this is an area of weakness which one can correlate to fundraising.)

Most people are uncomfortable simply *talking* about money, let alone having to ask for it. Approaching a donor for support conjures up the worst images in the minds of many. Board members are rarely able to translate the passion they feel for their cause into an invitation to invest in positive community results. Without proper training and support, coupled with positive experiences, canvassers can take a hat-in-hand or begging approach that results in personal rejection if the prospect turns them down. Many board members, volunteers and staff need to understand proper research and cultivation strategies that will increase their chances of success.

Although government grants to Ontario nonprofits comprise 45% of their funding¹³ public sector grants come with inherent strings attached because they are provided in direct response to project-related requests. While “seed” money may be found, core-operating funds are a rarity. As one Thunder Bay focus group participant said, *“Small grants available are like living on ‘tips’”*. A Guelph attendee struggles with the cash flow challenges of *“Getting government grants / delays / payments”* and a Mississauga staff person identified that *“Project and short term funding [provides] no internal stability – board is always in a reactive mode despite not wanting to be there”* while another cites that *“Peel funding formulas date back to the 1970s – per diem rates for care or services were set below Toronto (at 57%) – assumed people would travel to Toronto”*.

Board members recognize that supporting the “fiscal health” of nonprofits is one of their prime responsibilities, but that commitment rarely translates into fundraising by those same individuals. For all the reasons mentioned above, it is only fair to help people (who are usually uncomfortable with asking for money) to identify where their strengths best fit in the donor cultivation cycle. While some will be happy to request major gifts, others would shudder at the thought, preferring to bake cookies or help provide research. Another group may prefer to focus their efforts on strengthening the relationships with donors through stewardship. Regardless of the role played by board, volunteers and staff alike, people need to safely discover where they can make a difference.

¹³ The Nonprofit and Voluntary Sector in Ontario: Regional Highlights of the National Survey of Nonprofit and Voluntary Organizations (NSNVO) Imagine Canada and Canadian Council on Social Development 2006 p. 16

Board Training

Methods of training may vary depending on successful experiences. The online survey identified a preference toward training that includes full board not just individual members (65%) Only 11.1% identified “in classroom training for individual board members”, 27.1% said “distance learning (e-learning or internet-based)” would be preferable, 50.4% preferred “training that included both board members and executive director”. One could argue that in order to build a solid leadership/management team between the board and senior staff, having both involved in training opportunities would promote mutual understanding and provide a neutral ground for exploring each other’s realm of responsibility.

When asked in the online survey “what topics are relevant to your board?” the most significant responses identified were **role in fundraising, board recruitment and succession** and **board evaluation and performance**. Based on these identified priorities, the discussion about most individual’s discomfort for fundraising, and in light of the percentage of responses from staff over board, it’s conceivable that these answers reflect more of the senior staff priority than that of the board. In spite of this possibility, the responses fit well with previous findings and would still address many of the struggles identified earlier.

Whatever training efforts are offered they need to address, or build in, another major gap that has come from the discussions – that of the **knowledge transfer**. Regardless of how well the organization has been lead, it appears that with under-resourced nonprofits in particular, there is no guarantee that experience or training is passed along. Mentoring a new chairperson is less likely to occur when staff and board are already feeling stretched. If there is no opportunity for a skills exchange, continuity may suffer.

There needs to be a strong relationship, built on mutual respect and good communication between the board and senior staff. In the event that there isn’t a staff person, it is still important that training experiences are synthesized and shared. These steps enhance the “learning culture” of an organization that capitalizes on the investment they have made toward strengthening their leadership and management skills.

“Sustaining stable board – lose knowledge with turnover”

“New board members will not have had the training the old ones have and we cannot afford new trainings every time a new board member comes on”

“We don’t know what we don’t know”.

“They [the board] don’t value training – think there should be more energy spent in doing”

“As E.D. I don’t know enough about governance to support the board in its evolution” (Guelph FG)

“Most nonprofits can’t afford professional development” (Chatham Kent FG)

Summary of key challenges

Sustainability and resiliency are the long-term benefits gained by organizations that have a holistic, reflective and strategic approach to their work. When applied together, the points made within these key challenges serve as vital cogs in the wheel. When each “gear” is recognized as an important part of overall function, efforts are made to maintain and repair weaknesses and slowly but surely, the organization moves into forward momentum. Without an investment of time and money to ensure that all moving parts are well oiled, the “machine” seizes and ceases to function effectively, and some burn out completely.

The churn rate refers to the number of organizations that are “born and die” each year. According to *A Profile of Small – Medium-Sized Organizations in Canada* the vast majority (88%) of the total churn in the charitable and nonprofit sector is among organizations with fewer than five paid staff.¹⁴ This is significant as over 70% of the total participants in this study fall within that category.

In order to increase the probability of survival, and support the sustainability of the small nonprofits targeted in this study, it is necessary to invest in their infrastructure. To ensure a strong foundation, address community needs and strengthen their responsiveness and resiliency, help is needed. The following recommendations will require an investment of time and resources but the strategic efforts necessary will address identified gaps in many worthwhile organizations that formed to meet specific needs in their communities.

5 “Profile of Small- and Medium-Sized Organizations in Canada” March 2006 Imagine Canada and Canadian Policy Research Networks

Section 4 - Recommendations

Recommendation # 1

Train and support boards to strengthen the effectiveness of small organizations described in this study, provided it is within their budgets and creatively addresses the competing time constraints of volunteers and staff.

Based on feedback from this research, the key areas of training include:

- The components of good governance and how to put them into practice
- Developing clear outline of roles and responsibilities
- How to evaluate the effectiveness of the board
- How to over see/evaluate the senior staff member
- How to plan (to ensure measurable goals are set so that effective evaluation can occur)
- How to fundraise (as a team effort with well-defined roles for community engagement)

These multi-faceted topics hold enough depth and complexity that their interconnected nature – that concentrates on results, reflection, adaptation, relationship building and revenue generation – are essential components to build strength and sustainability.

It will be important to respect Adult Learning Principles for training so that the provider demonstrates respect for the needs of their “students”. Specifically, the differences between children and adult learners are that they:

- Decide for themselves what is important to be learned
- Need to validate the information based on their beliefs and experience
- Expect what they are learning to be immediately useful
- Have much experience on which to draw – may have fixed viewpoints
- Have a significant ability to serve as a knowledgeable resource to the trainer and fellow learners

Adult Learning Principles:

- Focus on “real world” problems
- Emphasize how the learning can be applied
- Relate the learning to the Learners’ goals
- Relate the materials to the Learners’ past experiences
- Allow debate and challenge of ideas
- Listen to and respect the opinions of Learners
- Encourage Learners to be resources to the trainer and each other
- Treat Learners as adults
- Give Learners control¹⁵

¹⁵ Adult Learning Styles and Training Methods, FDIC ADR Presentation Handouts, John Mihall and Helen Belletti

An important approach will be to help participants identify what they are doing well and why certain strategies are successful. Celebrating “Proud Achievements” is a positive motivator to increase learning. Determining what factors contribute to success will help apply that knowledge.

Recommendation # 2

2. Develop a toolkit for small organizations that include check lists and templates to provide leaders and managers with easily-accessible resources to promote a more focussed and efficient use of available board and staff time.

- Pocket guide summary of good governance
- Key components of a board orientation package
- Sample job descriptions and documents
- Checklist for measuring board effectiveness

Considering insufficient **time** and **money** are both driving forces for decision-making, Altruvest can take the catalogue of governance tools, resources and practices one step further. Over 500 references have been categorized but the simplest way to make a difference to struggling leaders is to synthesize some of that information for them by ensuring a variety of simple (non-copyright) templates are easily available on their web site. Pocket guide summary of good governance, ideas for a orientation package, checklist for measuring board effectiveness, Board Types and their Key Characteristics, Committee Terms of Reference, Board and Committee Job Descriptions, Skills Inventory, Essential policies and samples, Risk Management checklist, Governance effectiveness survey and Board Code of Ethics to name some of the top priorities.

Recommendation # 3

Provide a variety of delivery methods so that participants can access training regardless of their location in the province. Ideally, this Adult Learning Experience will include discussions, exchange of ideas and coaching opportunities. It will be necessary, as services expand beyond the Greater Toronto Area (GTA), to ensure that perspectives respect the challenges faced in more rural and remote locations.

Training has evolved beyond the classroom. Opportunities abound that will require an investigation of a variety of options. One model that is being used widely is a “tele- or web-conference” (possibly with an attached web-based presentation that registrants follow on their computer, but is not essential). Experienced adult educators “present” live by phone, while participants follow along on their handouts (or as mentioned above, directly on their monitors). There may be opportunities built in to ask questions or promote discussion by all “just in time” as participants follow along. Alternatively, a Question and Answer period may be built in at specific times during the session.

Producing DVDs and workbooks effectively addresses issues of geography, and time availability. Once they are developed and produced, distribution is relatively simple. However, they would need to be created with adaptability in mind, so if they became dated, sections of the production could be salvaged and recycled.

Other methods of Distance Education would need to be explored but the two aforementioned are certainly viable options that change the picture of **training that includes full board not just individual members** from expensive travel costs to that of delivery methods.

Recommendation # 4

Include both the senior staff person and full board in training opportunities.

Based on the need to enhance the relationship between the senior staff and board in order to create productive partnerships, training one or the other alone overlooks that opportunity. Considering volunteer time constraints, senior staff/chairperson training would strengthen mutual interests, understanding and organizational goals.

Recommendation # 5

Establish an Ontario hub of expertise in governance where small organizations, current, and prospective board members can go for accessible resources and affordable training opportunities that address their leadership needs. This initiative would be most effective if generated through the development of an Ontario Small Nonprofit Advisory Group including key stakeholders from these agencies.

This hub would provide opportunities for small organizations to meet realistic and attainable measures of good governance, achieved through:

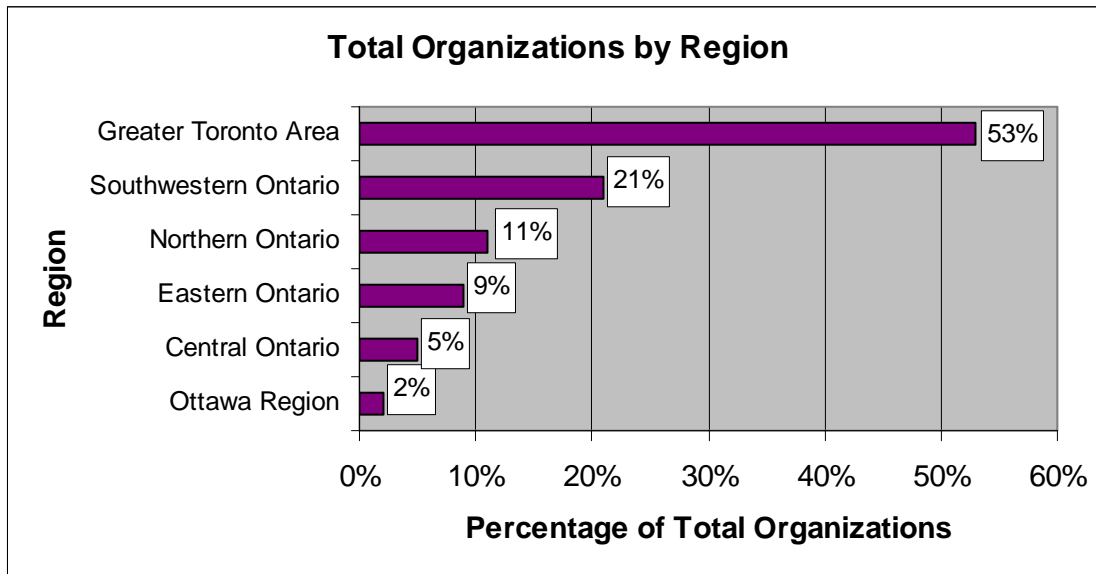
- The ongoing assessment of gaps and trends in governance education and the design and delivery of accessible and affordable training and learning opportunities for small organizations (in-class, webinars, online, distance learning, etc.)
- A help line – either via email/phone – using combination of staff and/or volunteer mentors where volunteer directors/senior staff of small nonprofits could directly contact trusted advisors on a variety of nonprofit governance issues/topics for feedback/resources (i.e. Imagine Canada’s risk management phone/email helpline at www.riskmanagement.imaginecanada.ca and the VSKN “Ask a Mentor” program that is currently only available to BC nonprofits at <http://www.vskn.ca/askmentor.htm>)

APPENDICES

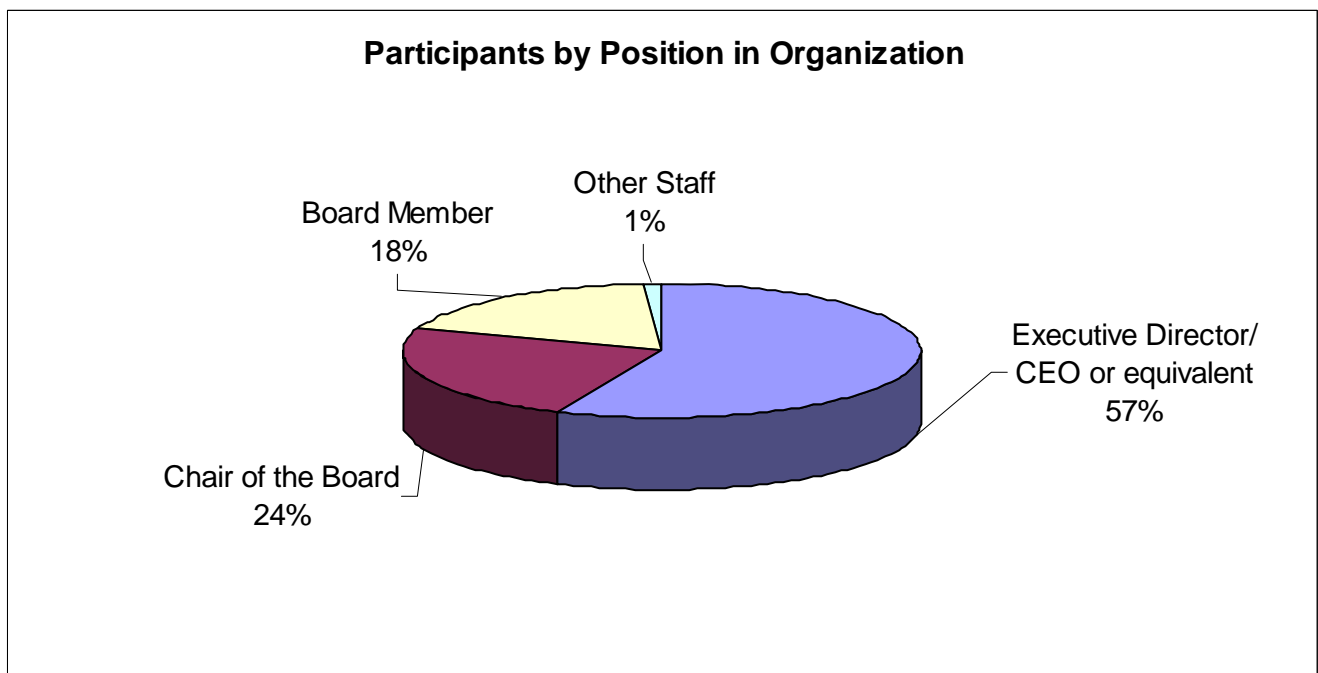
APPENDIX A: Participant Profiles

Out of the 200 nonprofits that engaged in this research, the following tables indicate the **regions** covered throughout the province and **roles** of the respondents.

Graph 9



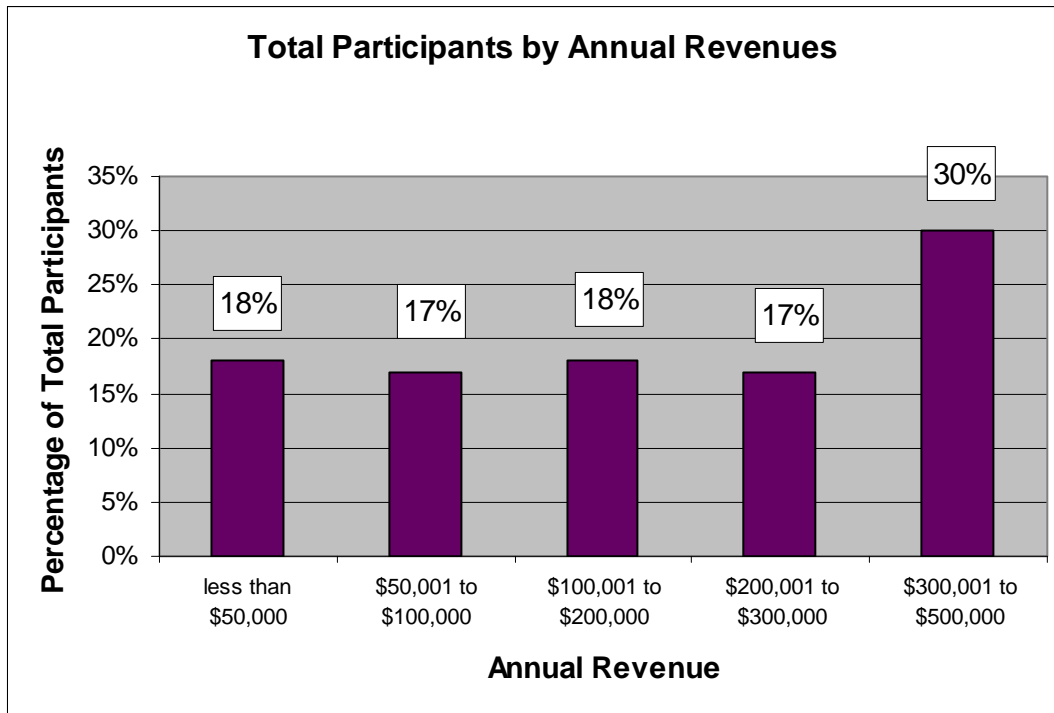
Graph 10



The strongest response was from registered charities (93%) with the remaining 7% from nonprofits without charitable status.

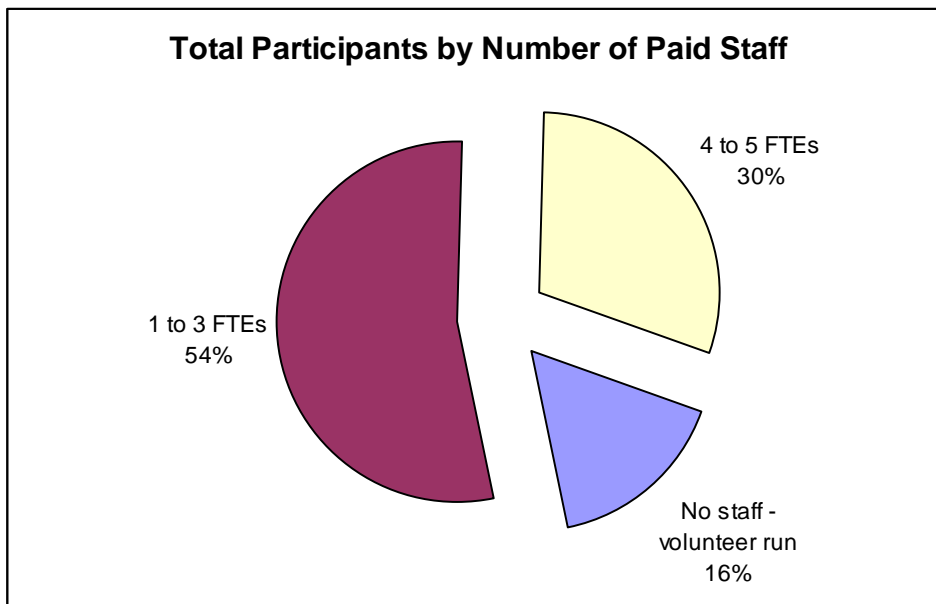
Those with revenues from \$300,000 to \$500,000 represented 30% of the respondents with another 35% whose revenues were \$100,000 or less.

Graph 11



There were 64.7% nonprofits that have 1-3 Full Time Employees (FTE), 19% have 4-5 FTEs and 16.3% were completely volunteer-driven.

Graph 12



Organizations with 9-12 board members represented the highest percentage of participants at 45.8%, 4-8 members were 34.8%, 13-15 = 15.9%, over 15 = 3% and 0-3 was .5%.

Results from the online survey revealed that 40% of their boards meet once a month *including* the summer. Another 39% meet monthly but not in July and August. Those holding quarterly meetings were 17%, twice per year 2%, 0% annually and another 2% had no regular schedule.

APPENDIX B: Methodology

Outreach

The techniques used to collect information from senior staff and board chairs or board volunteer substitutes were: focus groups, online survey and phone interviews. Each method presented unique benefits and by employing all three, the intention was to engage the widest possible audience throughout the province and obtain a holistic perspective overall.

Invitations to participate in one of the three above-mentioned forums were extended to approximately 2130 contacts for distribution. Areas were broken down into: Durham Guelph, Hamilton, KW/Cambridge/North Dumfries, Kingston, London, North Bay, Northumberland, Ottawa, Owen Sound, Parry Sound, Peel/Halton, Peterborough, Sault Ste. Marie, Sudbury, Thunder Bay, Toronto and York. Intermediary organizations, funders and web newscasters were also asked to broadcast an announcement to their contacts (See attached). Nonprofits that met the criteria were invited to identify themselves and participate in one of the three information-gathering methods.

Additional efforts were made to ensure strong representation from Northern Ontario. Along with online announcements made through Charity Village and Canadian FundRaiser, others including the Ontario Trillium Foundation, Ontario Community Support Association and the Foundation for Rural Living all reinforced the need for a balanced perspective from urban, rural and remote organizations. The Ministry of Citizenship and Immigration also assisted with outreach in the north.

Data Gathering

Focus Groups:

Advantages include:

- Getting rich data in participants' own words and developing deeper insights
- People are able to build on one another's responses and come up with ideas they might not have thought of in a one-to-one interview or survey
- Provides an opportunity to involve people in the data analysis (e.g.) out of the issues we have talked about, which ones are most important to you?
- Participants can act as checks and balances to one another – providing varying perspectives and experiences
- The interactive nature allows a moderator or participant to seek clarification
- Provides an opportunity to observe body language and intonation
- Participants expressed appreciation for thought-provoking discussion

Focus groups were booked throughout the province in June and September 2008. Based on responses to the invitations, two-hour consultations were scheduled in ten communities in Ontario: Aurora, Brockville, Chatham, Guelph, Hamilton, Kitchener, Mississauga, Peterborough, Thunder Bay and Toronto. Executive Directors (or equivalents) and Board Chairs (or board volunteer substitutes) were encouraged to come together so that Altruvest could collect both perspectives. In appreciation for their participation, attendees were given a copy of Cynthia Armour's Fundraising Readiness Checklist, Mel Gill's Board Effectiveness Quick Check, and an opportunity to purchase Mr. Gill's *Governing for Results* book at cost.

Overall, the approach remained consistent in each community although depending upon the participants and the focus group's size, some of the dialogue varied. The key questions that were asked included:

- What does good governance mean to you?
- How does your board evaluate?
- How does your board demonstrate understanding of roles and responsibilities?
- How does your organization orient its board members?
- What are the organization's strengths?
- Where does the organization struggle?
- What would be useful training topics?

In total, 59 nonprofits and 90 organizational leaders provided their comments in face-to-face meetings with the facilitator, Cynthia Armour. In addition to each receiving a blank copy, participants also completed and handed in Mel Gill's 15-question Board Effectiveness Quick Check. These two methods built both the qualitative and quantitative aspects of the focus groups and highlights of the results are presented in the Findings.

Online Survey:

Advantages include:

- Simple inexpensive (time and money) method to gather anecdotal evidence
- Broad representation by organizations that were unable to join a focus group
- Qualitative and Quantitative questions
- Flexibility and convenience for respondents
- Deeper questioning for Altruvest
- Broader geographic feedback without the costs of travel

The invitation to participate in the online survey was sent to the contact list mentioned in the Outreach Section. Responses were collected during July 2008. The Survey Monkey tool was used and analysis of the data included both qualitative and quantitative replies to 30 questions. There were 146 responses and 76% completed the entire survey with key findings included in the following section.

Telephone Interviews:

Advantages include:

- Participation of an organizational “counterpart” when only one could attend focus group
- Increased input from Northern Ontario nonprofits
- One-to-one or one-to-two phone conversations
- Ability to delve deeper on certain questions
- Primarily qualitative conversations followed up by Board Effectiveness Quick Check for quantitative responses
- Less expensive than face-to-face meetings

Phone interviews were scheduled during July, August and September primarily to broaden the northern perspective and where possible, complement input when only one representative could attend a local session. One hour was set aside and depending on the participant’s schedule interviews usually ran between 45-60 minutes.

The same questions were asked as in the focus groups; however additional probing was possible and included:

- How is your board’s role different from the ED/CEO?
- How comfortable is your board with its level of governance knowledge?
- Do individual directors know what skills are required in being board members?
- What percentage of your board are comfortable reading financial statements?
- How does your board identify areas for improvement?
- What challenges does your organization face with accessing training opportunities?
- What does your board do to develop the skills it needs?
- What methods work best?

The following table summarizes the participation in all three methods of research delivery.

METHOD	RESPONSES
Focus Groups:	10 Communities: Aurora, Brockville, Chatham, Guelph, Hamilton, Kitchener, Mississauga, Peterborough, Thunder Bay, Toronto 59 organizations 90 participants
Online Survey	132 organizations 146 responses
Phone Interviews:	9 organizations in the following areas: Algoma; Barrie area; Nippissing, Parry Sound, North Bay; North Eastern Ontario; Sault Ste. Marie; Thunder Bay x 2; Timmins; Waterloo Region 12 participants

- INVITATION TO PARTICIPATE -

Your perspective is requested! If your organization has annual revenues less than \$500,000 and/or staff of 0-5, we need your input.

Altruvest Charitable Services has undertaken a project for the Ministry of Citizenship and Immigration’s Strategic Partnership Initiatives.

We are conducting research on the governance capacity and training needs of Ontario-based small to medium-sized boards of charities that satisfy the criteria described above.

WHO: Executive Directors or CEOs with Board Chairs or a designated representative from the board

WHAT: Focus group

WHERE:

<p>PEEL/HALTON United Way of Peel Region Boardroom 5170 Dixie Road, Ste 300 Mississauga, ON L4W 1E3 Link to map</p>	<p>EASTERN REGION (Leeds/Grenville, Kingston, Ottawa, Brockville, etc.) United Way of Leeds & Grenville – Boardroom 42 George Street, Brockville, On, K6V 5V7 Link to map</p>	<p>PETERBOROUGH & AREA Market Hall Performing Arts Centre 336 George Street North In theatre on the 2nd floor Link to map</p>	<p>GUELPH/ WELLINGTON Canadian Mental Health Association, Grand River Branch 5420 Hwy 6 N, RR 5, Suite J100 Guelph, ON N1H 6J2 Link to map</p>	<p>HAMILTON Hamilton Public Library, Dundas Room (2nd Floor) 55 York Boulevard Hamilton, ON Link to map</p>
<p>DATE: Mon, Sept 8th TIME: 4:00 pm – 6:00 pm</p>	<p>DATE: Tues Sept 9th TIME: 4:00 pm – 6:00 pm</p>	<p>DATE: Mon Sept 15th TIME: 4:00 pm – 6:00 pm</p>	<p>DATE: Mon Sept 22nd TIME: 4:00 pm – 6:00 pm</p>	<p>DATE: Thurs Sept 25th TIME: 4:00 pm – 6:00 pm</p>

RSVP: If you are interested in participating in this important research, please contact Seanna Clipperton at bwed@altruvest.org.



Those attending focus group sessions will receive a “Fundraising Readiness” inventory by Cynthia Armour, CFRE and board expert, Mel Gill’s “Board Effectiveness Quick Check”. Also, you’ll have an option to get Mel’s Governing for Results: A Director’s Guide to Good Governance for \$20.00 (a 47% discount) and an online full board “Quick Check” including electronic summary report for \$199.00 (a 73% discount).





Hello!

Your perspective is requested! If your organization has annual revenues less than \$500,000 and/or staff of 0-5, we need your input!

http://www.surveymonkey.com/s.aspx?sm=002xMfq3VAnA4eo38YYpNQ_3d_3d

Altruvest Charitable Services has undertaken a project for the Ministry of Citizenship and Immigration's Strategic Partnership Initiatives. We are conducting research on the governance capacity and training needs of Ontario-based small to medium-sized boards of charities that satisfy the criteria described above.

WHO: Executive Directors/CEOs with Board Chairs or a designated representative from the board – **we ask that each of you complete the survey separately**

WHAT: On-line survey – the survey will take a maximum of 15 minutes to complete - We ask that you **PLEASE COMPLETE THIS SURVEY BY JULY 31ST, 2008**

We thank you in advance for your support and participation in this important research! Please click the link below to begin your survey.

http://www.surveymonkey.com/s.aspx?sm=002xMfq3VAnA4eo38YYpNQ_3d_3d





Hello!

Your perspective is requested! If your organization has annual revenues less than \$500,000 and/or staff of 0-5, we need your input!

Altruvest Charitable Services has undertaken a project for the Ministry of Citizenship and Immigration's Strategic Partnership Initiatives. We are conducting research on the governance capacity and training needs of Ontario-based small to medium-sized boards of charities that satisfy the criteria described above.

- WHO:** Executive Directors/CEOs with Board Chairs or a designated representative from the board
- WHAT:** Phone Interview – we would like to speak to the Executive Director and Board Chair/designated board representative **together**.
- WHEN:** Please indicate if you are available on any of the dates below, and **include one or more times** that work for both participants. The interview will not take more than 1 hour of your time.

Thursday, August 7th

Tuesday, August 12th

Thursday, August 14th

BONUS: Participants will receive a "Fundraising Readiness" inventory by Cynthia Armour, CFRE and board expert!

Thank you in advance for your support and participation in this important research!

We sincerely apologize for any duplicate messages.



Intermediary Organizations - Outreach Assistance

1. Canadian FundRaiser
2. Canadian Jewish Congress
3. Catholic Immigration Centre Ottawa
4. Charity Village
5. Community Foundations of Canada
6. CRA Small & Rural Initiative
7. Foundation for Rural Living
8. Imagine Canada
9. Kitchener-Waterloo Multicultural Centre
10. Maytree Foundation
11. Ontario Arts Council
12. Ontario Council of Agencies Serving Immigrants
13. Ontario Trillium Foundation
14. Ontario Community Support Association
15. Parks and Recreation Ontario
16. Social Planning Council of Peel
17. United Ways of Ontario
18. Volunteer Toronto
19. Volunteer Centre of Guelph/Wellington

Board Effectiveness Quick Check

Instructions

The Quick Check is to be completed by board members and the CEO. Please rate each statement according to your perception of how well your organization/board attends to each of these factors. Ratings are on a seven-point scale where 5 equals 'Agree Strongly', 0 equals "Disagree Strongly" and Don't Know equals minus one (-1). Please enter in the line to the right of each statement the numerical rating that most closely corresponds to your perception of how well your board attends to each of the items. We are seeking an 'off-the-top-of-your-head' or spontaneous response based on your immediate perceptions.

Note: The term CEO is used to refer to chief executive officer, executive director, senior manager, management team leader, staff coordinator and other similar designations.

Rating Scale: Agree Strongly (5); Agree (4); Agree Somewhat (3); Disagree Somewhat (2); Disagree (1); Disagree Strongly (0); Don't Know (-1)

1	This organization's orientation for board members adequately prepares them to fulfill their governance responsibilities	
2	This board is actively involved in planning the direction and priorities of the organization	
3	The board does a good job of evaluating the performance of the CEO <i>(measuring results against objectives)</i>	
4	This organization is financially sound <i>(viable and stable)</i>	
5	Board members demonstrate clear understanding of the respective roles of the board and CEO	
6	The organization's resources are used efficiently <i>(good value for money spent)</i>	
7	The board has high credibility with key stakeholders <i>(e.g., funders, donors, consumers, collateral organizations or professionals, community, staff)</i>	
8	Board members demonstrate commitment to this organization's mission and values	
9	Board members comply with requirements outlined in key elements of the governance structure <i>(bylaws, policies, code of conduct, conflict of interest, traditions/cultural norms, etc.)</i>	
10	The board's capacity to govern effectively is not impaired by conflicts among members	
11	There is a productive working relationship between the board and the CEO <i>(characterized by good communication and mutual respect)</i>	
12	I am confident that this board would effectively manage any organizational crisis that could be reasonably anticipated	
13	Board meetings are well managed	
14	The board uses sound decision-making processes <i>(focused on board responsibilities, factual information, efficient use of time, items not frequently revisited, effective implementation)</i>	
15	This organization has a good balance between organizational stability and innovation	
Total of the 15 items: Sum of positive items less any Don't Know (-1 ratings). Max possible 75		
Average: Total divided by 15 =		

APPENDIX C: Governance Tools and Resources for Small Non Profits

-  A Discussion Paper on Board Accountability
-  A Lighter Touch - An Evaluation of the Governance Project
-  A Study of the Training Needs of Volunteers on Boards Serving Francophone and Acadian Minorities
-  Aboriginal Governance and Leadership- Volunteers in the Friendship Centre of Canada
-  Aboriginal Traditions - participation in NWT nonprofit sector
-  Active Governance - The Value added by community involvement in governance through local strategic partnerships
-  Advice for a small non-profit presenting to a big potential underwriter
-  Are Charity Boards Asleep at the Wheel
-  Bangladesh Innovation Take-Away - how the nonprofit sector in bangladesh is breaking new ground in social entrepreneurship
-  Basic Overview of Nonprofit Organizations
-  Basics of Developing Mission, Vision and Values Statements
-  Becoming a registered charity
-  Best Practices in Vol Mgt for small nfp
-  Black and Minority Ethnic Organizations' Experience of Local Compacts
-  Board Development Resources
-  Board Recruitment & Orientation - A Step-by Step Common Sense Guide ISBN - 978-0-9714482-4-7
-  Boards in Small Nonprofits_ What About Friendship and Solidarity_
-  Building the capacity of Small voluntary Agencies
-  Building the Capacity of Small Voluntary Agencies - Juggling on a Unicycle
-  building_blocks_for_strong_communities_small_and_medium_size_organizations
-  building_blocks_for_strong_communities_small_and_medium_sized_enterprises
-  Canada Volunteerism Initiative - Catalogue of Resources - entered
-  Capacity Building for Community Based small nonprofit Minority Health Agencies in Central Florida
-  Capacity Building Toolkit - Canadian Ethnocultural Council
-  Case Study - Governance in Transition
-  Caught in the Middle - What small nonprofit organizations need to Survive and Flourish
-  Challenges and Opportunities for Planning in the Ethno-culturally Diverse City - A Collection of Papers--Introduction
-  Charity Board Service helps corporate careers
-  Charity Navigator - Roundtable Discussion_ Small Charities Speak Out
-  Clarifying Roles of Aboriginal leaders a Model Governance Policy - entered
-  Community Organization Toolbox
-  Consider This! a resource for board of directors of ministry funded agencies
-  CRA Consultation on Proposed Policy - Applicants Assisting Ethnocultural Communities
-  Deeper Capacity Building for Greater Impact
-  Diversity Benchmarking Tools and Resources for Standing committees of the Board
-  Diversity in Governance - a toolkit for inclusion on nonprofit boards
-  Equitable Treatment of Immigrant Visible Minority Woman as Employees and Volunteers
-  Ethnic Communities in Canada from a governance perspective - unity in diversity
-  Ethnic Minorities in Canada - a Governance perspective
-  Ethnocultural-Ethnoracial advocacy groups, State Funding and Charitable Tax Status
-  Five Tips for Keeping a Small Charity Out of Legal Hot Water
-  Free Management Library
-  From Struggle to Strategy
-  good governance practices for 501c3 organizations
-  Governance for nonprofits - From Little Leagues to Universities
-  Governance in the New Millennium Challenges for Canada
-  Governance Practices in small nonprofit organizations- are best practices helpful to Board Members
-  Grassroots
-  How the Law of Charities and Advocacy can be changed to better serve immigrants and refugees
-  Immigrant Assimilation & Charitable Giving - entered
-  Immigrant Women as Volunteers - Benefits for Charitable and Nonprofit Organizations
-  Innovation Rules! Report September 2004
-  IRS Jumps on Best Practices Bandwagon with New Governance Statement
-  Jeans to Jackets - Navigating the Transition to more systematic governance in the voluntary sector
-  Key Resources for Small Voluntary and Community Organizations - ISBN 0719916836
-  Mentoring Canada
-  Mission Impossible - A Report on reference collection of vision statements
-  NCVO - Advice, Information, Support - Key Resources for Small Voluntary and Community Organizations
-  New CRA Policy on Applicants Assisting Ethnocultural communities
-  Nonprofit Sector - Increasing Numbers and Key Role in Delivering Federal Services
-  NSNVO Highlights and the implications for those who promote and enable volunteerism
-  Participative Governance
-  Planning Together - How and How Not to Engage Stakeholders
-  Reforming not-for-profit regulation - Executive Summary
-  Roundtable Discussion_ Small Charities Speak Out
-  Small Charities and Reserves
-  Small charities burdened by excessive red tape
-  Sometimes good intentions breed uncertain results
-  Strategic Planning in Smaller Nonprofit Organizations
-  Strengthening the Capacity of Nonprofit and Voluntary Organizations to Serve Canadians
-  Strengthening the Governance of Small community and voluntary Organizations
-  The Desktop Guide for Nonprofit Directors, Officers and Advisors
-  The Law on Charity & Advocacy
-  The Role and Future Development of Black and Minority Ethnic Organizations
-  The_Meaning_of_Volunteering
-  Thinking Big, Staying Small - ISBN-10 - 188801542X
-  Transforming the Work of the Board - Moving Toward Community-Driven Governance
-  United Way of Toronto OCB workshop form_ Fall 2008
-  Visible Minority Status and Philanthropy
-  volunteering In Canada
-  When Services are not enough