

Practical Tips for Not for Profits

Your objects are important

Not-for-profits exist to advance the purpose or purposes for which they were established, commonly called the objects, in the constitution. A not for profit could have a brilliant mission statement and a strategic plan but it is the objects that are paramount. If the objects are less relevant as your association evolves then amend your constitution. However objects in your constitution can be a key factor in the attainment of government grants, so consider this going forward.

Be accountable to your members

Being accountable to someone else is a key pillar of good governance. Be accountable to your members. After all, that is WHY your association exists. To deliver to its members. You need to keep them informed and engaged and you are accountable to them – no matter how big or small your membership base is. This approach comes in handy when there are bumps in the road.

Board turnover

Consider having part of the board up for re-election each year to protect the association from losing all board members, and their knowledge, at one go. It helps board development by progressively feeding new board members and perspectives onto the board.

Board roles

Your board does not have to include the traditional roles of treasurer, secretary etc. Consider what roles are required on the board that will best deliver the associations objectives, purpose and forward direction. Portfolios are another consideration.

The board size should reflect the complexity of the association

If an association has too few board members, decisions are too easy with dominant personalities prevailing. Too many board members risks cliques developing, difficulties in achieving consensus and non-performers at the board table. Having 5-7 is small enough to be efficient while large enough to provide diversity and robust decisions.

No nominations from the floor at the AGM

It is poor process to allow nominations for the board or office bearer positions to nominate from the floor of the AGM. Apart from effectively disenfranchising members who have submitted proxies based on prior circulated information, nominations from the floor allows no time for due diligence on the nominations or for ensuring the candidate realises the obligations that they are taking on.

Board Agenda is not standardised

The agenda for your executive or board meetings does not have to follow any set system. You can craft the agenda to reflect your association and the community in which you operate, and ideally the most important items should go first. Correspondence can definitely be last, if included at all!

Expect draft minutes to be received in days

Minutes should be out for comment while the meeting is still fresh in the minds of participants - good practice is out in 48 hours.

Minutes are not verbatim records of meeting

Minutes are a record of the proceedings and resolutions of meetings - not a transcript of who-said-what. Less is better, apart from key decisions where sufficient detail should be included to substantiate the reasoning behind the decisions. Even if your board follows formal meeting procedures, you do not have to include names of movers and seconders.