



Step In, Step Up

Everything a new community
board director needs to know

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Our Community
P.O. Box 354
North Melbourne
VIC 3051

Email: service@ourcommunity.com.au

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Foreword

Joining a community organisation is good for you and good for the world. And you've carried that to the next level – you've joined the board, where you can *really* make a difference.

Now you're on, though, there are some things you need to sort out. You need to know what you've joined, and how it works, and what it does, and what you're taking on. There's a surprisingly large pile of stuff you need to know, or at least need to have handy in case of fire.

You need to be clear on your responsibilities and on top of your duties. You need to be watching out for the things that could go wrong, just in case. The best way to understand the task in front of you is through experience, and if you hang on in there that'll come – but right now you could use a hand with it all, and it'd help to have a guide handy you can dip in to from time to time when tricky questions come up.

That's what this is.

It's not brain science or rocket surgery. Serving on the board of a community organisation is mostly common sense, mixed with a liberal sprinkling of common decency and common values. It's about acting morally, ethically, within the law, and in the best interests of your organisation.

This book, and the other guides produced by Our Community, are about empowering community group board directors with the knowledge that will make their contribution even more effective. It's about being prepared – being able to recognise when issues arise, and having the tools to work your way through them.

We've written this book based on one of our earlier publications, *Surviving and Thriving as a Safe Effective Board Member: The essential facts you need to know before, during and after joining a community board* (2003). That earlier book was written by Waleed Aly, before he became Australia's favourite public intellectual, and we're rather sorry we've had to rewrite and update it for a new generation. Thanks, Waleed.

Thanks also to the members of the Community Directors Council – Susan Pascoe, Sheena Boughen, Catherine Brooks, Jahna Cedar, Anne Cross and Sonja Hood – who shared their experiences and insights into the most important issues, challenges, benefits and questions facing today's not-for-profit board director. Their invaluable experience and guidance has helped to make this book a practical document that will assist everyone who has the pleasure of sitting on the board of one of Australia's 600,000 community organisations.

Denis Moriarty

Group managing director

www.ourcommunity.com.au

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A note on terms

The community sector has to operate in all Australian states and has to cope with a number of different legal formats. Consequently, there are a number of names for what are functionally much the same things. For ease of reading we've settled on one common set of terms.

When we say	We mean
board	board <i>or</i> council <i>or</i> committee of management
community sector	not-for-profit sector <i>or</i> non-profit sector <i>or</i> community sector <i>or</i> third sector <i>or</i> voluntary sector
community organisation	incorporated association <i>or</i> company limited by guarantee <i>or</i> cooperative
board director	board director <i>or</i> committee member <i>or</i> trustee <i>or</i> board member <i>or</i> councillor
chief executive officer (CEO)	CEO <i>or</i> executive director <i>or</i> manager <i>or</i> executive officer <i>or</i> coordinator
clients	clients <i>or</i> customers <i>or</i> users <i>or</i> consumers
constitution	constitution <i>or</i> rules <i>or</i> model rules <i>or</i> articles of association <i>or</i> articles of incorporation
chair	chair <i>or</i> chairperson <i>or</i> president

Introduction

You've joined the board of an Australian not-for-profit community group. Good for you! You're a volunteer responding to a call for help. You're motivated by generosity and altruism.

It's likely you know quite a bit about the organisation already. You're most probably a member, and you may have been involved in it for years. You've probably donated to it – you're that kind of person – and volunteered for various tasks. All that's good, and it's really important in giving you hands-on experience of what the organisation does. But that doesn't necessarily mean you know all you need to know to be a director of its board.

Naturally, you trust the organisation and those involved in it. That's fair enough. Trust everybody – but as a board director, cut the cards.

As you take up your new role, a word of warning. We live in a litigious society, and you're taking on certain responsibilities. They're not that terrifying, properly considered, but you do need to know what they are. Putting in a little bit of work now can save a lot of time, effort and heartache in the future.

It's crucial that community organisations are run effectively, efficiently, sustainably, and to the same standards as for-profit companies. Community group board directors need to be aware of their legal and financial responsibilities, as well as their moral obligations to their group and their community.

It's not an easy task. It's a challenge, in fact. Good board directors are tightrope walkers, able to navigate on a narrow wire of legal, financial and ethical responsibilities – perhaps wobbling a little from time to time, but never falling off. They need excellent judgement, and they're able – with smiles on their faces – to balance the needs of the different stakeholders and to withstand the scrutiny of a demanding audience.

This book has been devised to highlight some of the problems that may arise, to suggest how to avoid them, to ensure that your board experience is a positive and a successful one, and to help you to direct all your energy into making a difference.

Things very rarely go badly wrong. When it's happening to *you*, though, the words "very seldom" have an unfortunate ring of frequency about them. It's worth your while putting a bit of thought into precautions.

Oh, and this book shouldn't be seen as an alternative to actual legal advice. The list of the duties facing a board director, and the different situations where they might be tested, is vast, and in no way can a book such as this hope to be exhaustive. Our aim is simply to provide a guide that can serve as a safety net – to make you aware of the risks, and let you know when you may be on shaky territory and in need of some expert advice.

What are the benefits of being on a community board?

"It's a fantastic way to support an organisation doing good work in the community. It also provides individual board members with real and tangible ways to support their local community or grassroots causes that make a difference to marginalised members in our society. Personal growth is always an outcome, along with upskilling in new and varied ways."

Catherine Brooks, Community Directors Council

Are you committed to the mission?

There's really only one reason to join the board of a community group: you share their objects and you want to help them prosper. If that's not the case, don't bother reading any further. If you're just warming a seat as a favour to a friend, it's really not worth it.

So, ask yourself – have they sold me on the deal? Do I know what they do, and how they run, and what they think, and am I broadly behind it all? You're being asked to make some sacrifices of your time and effort and influence. You're likely to be asked to give money. You're very probably going to have to deal with people who irritate you and to carry out policies you don't fully agree with. If you're going to shrug this off and put the work in cheerfully, you need to be at least a little inspired.

Luckily, that's not difficult. Australian not-for-profits do an incredible range of good things in almost all areas of life, from helping kids through nasty diseases to beating Snake Gully in the netball, and it's easy to find one you want to throw yourself in to.

If you're not committed to the mission, though, that should be a dealbreaker. Other motivations – favour to a pal, getting to know the locals, love of tea and sweet biscuits – are okay as extras, but in themselves are unlikely to carry you through the troughs of a boring meeting or fire you up to give of your best. Step back and let someone else who's keener take on the load. If there *is* nobody keener, this may be a reason to ask whether the organisation is really necessary in the first place.

The test is whether the mission, whatever it is, really means something to you. And the test of *that* is whether you're able to sell it. Imagine you're in a lift, going up ten floors, say, and you notice that standing next to you is a noted philanthropist. She's a casual acquaintance, so you say hello. She asks you what you're doing now. And you have thirty seconds to recruit her as a supporter. Can you boil down the story into a compelling soundbite?

Can your fellow board directors do the same? Ask them.

What are the benefits of being on a community board?

"Your appointment to a community board can give you the opportunity to develop in your understanding of governance frameworks in that sector or industry as well as the networks at local, state and national levels that ultimately become of benefit to you wherever the future might take you. When the board is under-resourced, it's often hands-on. So the skills that you develop through the issues that arise and the tasks that you are exposed to are transferable, and allow you to build your skills as a director."

Jahna Cedar, Community Directors Council

The ideal induction

If you're going to be able to contribute, you need a rapid introduction to the running rules. Don't think you have to remember everything on the first day; you'll be lucky if you can remember everybody's names. If you're particularly pressured, you'll be lucky to remember your own. You have to know the broad outlines, and where to go to find out more.

The ideal board induction consists of a meeting with the chair and CEO, an informal introduction to fellow board directors (perhaps over a coffee or a drink), a tour of the organisation, introductions to key staff, a comprehensive and easily understandable board induction folder telling you everything you need to know, and the appointment of a mentor who will hold your hand for the first year.

Documents, documents

So far, so good. Now you come to your first test.

Your first duty as a newly minted board director is to get a good understanding of the organisation you're now governing, and to understand what part you have to play. If you're not handed an induction folder, make your own. Here is a list of the minimum documentation you will need to get a basic understanding:

- **A copy of the constitution**
If people have trouble finding a copy, that's a bad sign.
- **A copy of the standing orders, if any**
These are the rules for running the meetings. If your organisation doesn't have any standing orders, you need to know how it decides how meetings should operate and how decisions are made, especially in the case of conflicts.
- **A copy of the bylaws**
These are the rules about things that aren't permanent enough to be included in the constitution.
- **A copy of the policy and procedures manual**
The records of previous board decisions about how things should run should ideally be kept on file in one place for easy reference.
- **The past year's board minutes**
Go right back 12 months (longer if you have the time) so you can get a good view of what's been done and what's coming up.
- **The strategic plan, the business plan, and the marketing plan**
And any other big-picture documents you need to know about.