Good Governance & the Non-Profit Board

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About PSI Foundation

**MISSION:**
TO IMPROVE THE HEALTH OF ONTARIANS

ESTABLISHED IN 1970 BY THE PHYSICIANS OF ONTARIO

AWARDED OVER $140 MILLION IN GRANTS
WHAT IS GOVERNANCE?

Governance is the structure allowing a Non-Profit to execute its mission and remain sustainable over the long term.

Such involves:
- Organizational structure
- Policies & procedures
- Culture

WHY IS THIS IMPORTANT?
CASE #1
WE CHARITY

#WEHAVEPAPROBLEM: CANADIANS UPSET OVER WE CHARITY CONTROVERSY

CASE # 2
MADD CHARITY

MADD CHARITY MENDS ITS WAYS

MADD Canada was wrong to count tens of millions of dollars in fundraising expenses – including telemarketing and letters asking for cash – as charity and has stopped the practice, the group’s board of directors said.

“I am happy they are finally obeying the rules. Let’s hope we can move forward now in the fight against drinking and driving,” said John Bates, one of MADD’s founders and a critic of the group’s fundraising and accounting practices.

The move follows investigative stories by the Toronto Star, complaints by Mothers Against Drunk Driving volunteers, and subsequent reviews by the federal charity regulator.

CASE #3
TORONTO HUMANE SOCIETY

WHY CHARGES WERE DROPPED IN HUMANE SOCIETY CASE

"There were seven defence lawyers in the Old City Hall courtroom. They represented the Toronto Humane Society’s former board, its former president Tim Trow, its former chief veterinarian Stephen Sheridan, and the four other former managers who were charged with animal cruelty by the Ontario Society for the Prevention of Cruelty to Animals."

https://www.thestar.com/news/gta/2010/08/16/why_charges_were_dropped_in_humane_society_case.html
CHALLENGES

POTENTIAL CHALLENGES AT THE BOARD LEVEL INCLUDE:

- Mission, Vision, Values
- Avoiding Groupthink
- If It's Not Documented, It Did Not Happen
- Recruiting & Retention
CHALLENGE #1
MISSION, VISION, VALUES

How well does your board fully understand your organization’s mission, vision, and values?
STATISTICS:

WHERE NONPROFIT BOARDS FALL SHORT

Out of the 772 directors surveyed by McKinsey in 2013...

- **34%** agreed that the boards on which they served fully comprehended their companies’ strategies.

- **22%** said their boards were completely aware of how their firms created value.

- **16%** claimed that their boards had a strong understanding of the dynamics of their firms’ industries.

CHALLENGE #2

AVOIDING GROUPTHINK

Avoiding Groupthink through diversity with a strong Board of Directors and Committee Matrix.
**EXAMPLE:**

**BOARD OF DIRECTORS MATRIX**

<table>
<thead>
<tr>
<th>Name</th>
<th>Medicine, Academic (Medical School Representation)</th>
<th>Medicine, Community</th>
<th>Gender</th>
<th>Rural/Northern Ontario</th>
<th>Visible Minority* People of Colour, Indigenous Peoples</th>
<th>Previous Board Experience</th>
<th>Other Leadership Roles</th>
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*Developing  
Mature  
Mastery*
CHALLENGE #3

IF IT'S NOT DOCUMENTED, IT DID NOT HAPPEN

Policies & procedures need to be documented and reviewed regularly even if you think they are obvious.

- Committee's Terms of Reference
- Code of Conduct
CHALLENGE #4
RECRUITING & RETENTION

Oversight to attract and retain good people.
- Nominating Committee
- Board and Committee Surveys
- In Camera
EXAMPLE:

POST-MEETING BOARD AND COMMITTEE SURVEY

- Overall, how would you rate this meeting?
- How can we make the next meeting better?
- What did you like most about the meeting?
- What did you dislike most about the meeting?
- How organized was the meeting?
- How helpful were the staff?
- Prior to the meeting, how much of the information that you needed did you get?
- Was the meeting length too long too short or about right?
GOVERNANCE EDUCATION & RESOURCES

Harvard University:
https://www.exed.hbs.edu/corporate-director-certificate

Stanford University:

Duke University:
https://hr.duke.edu/training/course-offerings/professional-development

Princeton University:
https://gradfutures.princeton.edu/competencies/leadership-and-collaboration

Columbia University:
https://www8.gsb.columbia.edu/execed/

Massachusetts Institute of Technology:
https://gadmissions.mit.edu/programs/degrees/certificate-online
https://professional.mit.edu
http://catalog.mit.edu/mit/research/mit-professional-education/

Yale University:
https://som.yale.edu/programs/executive-education

University of Chicago:
https://grahamschool.uchicago.edu/academic-programs/professional-development
https://ssa.uchicago.edu/professional-development-program

University of Pennsylvania:
https://executiveeducation.wharton.upenn.edu/for-individuals/all-programs/certificate-of-professional-development/
https://pod.sas.upenn.edu

Northwestern University:

Johns Hopkins University:
https://carey.jhu.edu/programs/executive-education

Brown University:
https://www.brown.edu/campus-life/support/accessibility-services/school-professional-studies-sps-programs/executive-education-school-professional-studies
https://professional.brown.edu/coaching

Cornell University:
https://business.cornell.edu/programs/exec-ed/