



Chapter 4

Board of Directors





Board of Directors

Introduction

This is a brief on the responsibilities, obligations, and limitations imposed upon a director of a Chamber of Commerce. Directors are persons who are elected by the membership because of their interest in the Chamber to manage and direct the affairs of the Chamber. They are the decision-makers assuming responsibility for the governance and administration of the Chamber, its assets, its liabilities, its contracts, and overall policies.

Definition

It is important to understand the basic principles upon which Chambers were organized in order to appraise the relationship of the various officers to it and to each other.

A Chamber is an organization of business and professional people and those who share their viewpoint, with the primary purpose of promoting the commercial, industrial, social, and civic interests of the community in which it is established. Just what those interests are exactly and how they are best to be promoted is, of course, a local matter concerning which only the most general observations can be made. Certainly the Chamber will not limit its program merely to the outstanding needs in the fields. Agricultural development, for instance, may be necessary to promote the commercial interests of a town/city. The negotiation of freight rates may be the first step in expanding the industrial structure. Civic development in its various phases, good roads, adequate school, parks, town planning, and zoning may underlie basically all commercial and industrial development. The Chamber, as an instrument of the entire community, will develop its program about certain specific needs, but will operate on the broad general lines most likely to produce a well-rounded development in its four essential fields.

A Chamber of Commerce is the vehicle that enables people to work together to improve business; to build a better community; and to develop better citizenship in the community, the province, and the nation. Although the community is a market in which local business competes for customers, the improvement of this market is a common objective of these business leaders. Their Chamber is the means through which they can work together to achieve this goal.

Nature of the Board of Directors

Chamber of Commerce directors are usually chosen because of their interest in and commitment to the Chamber, their standing in the community, and their experience and ability in civic affairs.

Although directors should not be special representatives either of interest or of district, each one should bring special skills of knowledge to add to the overall structure of the board. Each director should be a representative at large; their territory is the whole community, their constituents are the members.

The ideal Chamber director is one who not only recognizes the democratic character of the Chamber but who:

1. Believes strongly in voluntary, cooperative effort in solving community problems;
2. Respects the collective judgment of interested citizens on community problems; and,
3. Recognizes the unique problem-solving power that is created when the time and talents of these citizens are mobilized for action through their Chamber of Commerce.

Responsibilities

Representing as it does the entire community, with membership reaching usually every phase of community life; the Chamber is necessarily democratic in its organization. ***The first and last authority is in the membership.*** Obviously, however, the membership as a whole cannot function constantly either in legislative or in an executive capacity. The authority of the mass must be concentrated. The members must speak and act through representatives to whom they delegate their authority. The next step is electing a small governing body that derives its authority from, and is responsible to, the membership. This body is the board.

The board is responsible for mobilizing the resources of the community to achieve Chamber objectives. It is the responsibility of the board to see that the talents and energies of members are enlisted in Chamber committees, that program objectives are assigned to committees, and that the responsibility and authority of committees are clearly defined.

Functions of the Board

The board is the Chamber's policy forming body. They determine the program of action, approve the budget, receive and pass on committee reports and direct the general activities of the Chamber.

The board develops policy in response to the initiative and subject to the will of the membership. While the board does not want to do all the thinking for the Chamber, it must assume responsibility for final decisions, except in those cases where decisions are by referendum or in public meetings, submitted to the membership. The latter course is usually adopted only when the decision concerns some highly controversial matter.

Governing Documents

The board is responsible for following and upholding the Chamber's governing documents – which are **in order of precedence**:

- **Articles of incorporation (Society or Boards of Trade Act)**
- **Bylaws**
- **Policies and procedures**
- **Parliamentary authority**
- **Strategic plan of goals**
- **Budget for the current year**

Relation of Director to Chamber Policy

It should be understood that *a director as an individual has no authority to commit the Chamber of Commerce to any action, policy, or financial obligation*. Their status is that of an individual acting in a legislative capacity. They have a right to exert their influence with the board for the approval of actions and policies; but their authority does not go beyond their single vote; and they **must** abide by the decisions of the majority of the board in accordance with the bylaws.

Relation of Director to the Public

The director is a representative of the entire Chamber, officially and unofficially, to the entire public. *A director is not authorized to speak for the Chamber of Commerce except on those matters where the Chamber has a clearly defined and formulated policy* (i.e. by motion). They must be ready at all times to defend the Chamber against criticism; or where the criticism is justified, and take steps to remedy the conditions causing the criticism by bringing it to the attention of the board for action. A director should be ready

to discuss the affairs of the Chamber at any time with interested members, so far as this is consistent with the Chamber's policies.

A Chamber director can frequently make a distinct contribution to the well-being of their Chamber by bringing to the attention of the board both the critical and constructive suggestions received from members and citizens in the community. By doing so this enables the Chamber to become an even more useful and effective organization in making the community a better place in which to live and work.

Relation of Director to Salaried Staff

Confusion can be avoided by proper understanding of the relationship of a director to the administrator and to other salaried staff. The administrator and staff members welcome advice and suggestions, but they are under no obligation to accept instructions from individual directors. Individually the status of the director is advisory with respect to the staff and legislative with respect to the organization. Instructions from a director to the staff can properly come only when they are by joint action of the board.

Through the administrator and staff, the board has a permanent administrative machine to carry on the work of the Chamber. The administrator is the board's counselor and, at the same time, is responsible to the board for seeing to it that the work of the Chamber is carried on effectively and that its policies are executed.

The following are suggested points to consider in understanding the relationship of board and staff:

The administrator is responsible to the board as a whole and not to individual members. Although first line communication is with the president, the administrator implements decisions of the board and is in frequent and close contact with the president to provide assurance that policy and specific directions are being carried out. Individual board members cannot give directions to the staff without consultation with the administrator.

The Chamber has traditionally encouraged a good working relationship between staff members and board committees. Certain staff members will have specific responsibilities as resource people to board committees. Staff members are, however, ultimately responsible and accountable to the administrator.

Staff understands and appreciates board members are volunteers who give their time generously and freely without compensation. Staff is expected to respect the particular contribution, which volunteers make to the work of the Chamber. They are expected not to make inappropriate demands of volunteers and to conduct

themselves in their relationships with volunteers with courtesy and respect. Any board member who has reason to be dissatisfied with the treatment by a staff member is asked to make that known to the administrator.

Board and committee members who volunteer hours of work and service should understand the staff is employed. Requests for volunteer and/or overtime hours can be made and accepted by both parties; however, expectations by the board of this staff volunteer hour component should be tempered with the realization of the difference between volunteer and paid staff expectations.

All Employment Standards apply to employees of non-profit organizations.

Relation of Director to the President

The position of president is one of great responsibility. A director can help the president by keeping them informed with respect to current membership needs.

The president presides over all general meetings of members and meetings of the executive and board. ***The procedure at meetings and any other proceedings of the Chamber follows the authority of Robert's Rules of Order*** (or other authority defined in the bylaws). The president votes only in the case of a tie so it is the duty of the directors to keep him/her fully informed on all issues.

The president is the official spokesman of the Chamber and has input and knowledge of all press releases and other statements to the public, media, or various levels of government and is responsible and accountable to the board.

Relation of Director to the Board

With respect to relationships with other board members, directors are co-partners with them in the important work of seeking to improve the commercial, industrial, and civic life of the community through the activities of the Chamber. **A director accepts election to the board as a responsibility to the membership, to the community, and to fellow board members.** A director should be scrupulous in their disassociation of all personal interests from the Chamber's activities. A director should also regard their position as a public trust. A director's **attitude toward fellow board members should be one of tolerance for their viewpoints, conciliation for their differences, and zeal for the welding of diverse opinion into constructive policies for the community good.** A director should calendar their time so as to attend the maximum number of board meetings and, as a minor but extremely important point, they should scrupulously observe the right of fellow board members and be prompt at all meetings. Too much emphasis cannot be placed upon this apparently

small item. ***A great deal of friction has been generated in otherwise harmonious boards through persistent tardiness of a few members.*** Nothing is more irksome to a busy person giving up their valuable time to have to sit fifteen or twenty minutes waiting for those who are late.

Relation of Director to Committees

Although the bylaws of most Chambers authorize the Chamber president to appoint committees, it is a general practice for the president to consult with the board and/or executive on committee appointments. Such consultation should be genuine and not perfunctory. Members of the board must take an active interest in the organization of Chamber committees, as well as in the operation of committees.

It is a common practice in many Chambers to assign or appoint one or more directors to each Chamber committee. This practice provides good liaison between the committee and the board and a means of giving the board full information on committee proposals, plans, and challenges. Such information not only aids members of the board to make sound decisions, but also helps to motivate the action and cooperation that is so essential to the success of committee projects and activities.

Staying the Course

Before a product is usable, or in fact "productive", it must be applicable and beneficial toward the gaining of a specific end. In the business of Chamber management, the product must be applicable and beneficial toward recruiting and maintaining membership and the development of specific, well-defined goals. The goals themselves must be calculated to bring the organization, individual, or community towards its ultimate objective and, at the same time, not violate its philosophy.

It is necessary for a Chamber to establish a test of significance to prevent drift in objectives, goals, and philosophy of a Chamber from becoming outmoded and counterproductive.

It is also necessary to identify the role of the leaders in order that they will feel comfortable in applying this role when it becomes necessary to do so. Staying on course is a philosophy more than a project. It has no ending and the beginning is accepting the philosophy as the process, rather than starting a new activity.

The implementation stage is one of study and understanding. The operation stage is communicating and gaining support.

Duties of the Board of Directors

1. Direct the Chamber
 - In accordance with the bylaws
 - In keeping with the established goals and objectives
 - With informed decisions from options
2. Establish Policy
 - Create policies and provide operational guidelines
3. Counsel and be counseled
 - Provide guidance and support for administrator, receive suggestions
 - Ask questions – be informed
 - Remain ultimate decision maker
4. Inform members and community
 - At general, special and annual meetings
 - By effective communication methods
5. Control the Chamber
 - By approval of the annual budget
 - Understanding the financial statements
 - Ensuring that an annual audit of fiscal year end be conducted by a Chartered Accountant
 - To take necessary action to ensure that the Chamber and board are protected against liability and that all proper insurance requirements are in place as required
6. Establish committees
 - That will enhance the profile of the Chamber
 - That will ensure financial stability of the Chamber
 - That will contribute to the economic well being of the business community
7. Monitor goals and objectives
8. Be accountable and responsible for their actions

Summary

The function of the executive and board is to represent the interest of Chamber members, as well as the community, in a positive program of community involvement.

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| ◆ Determine basic policies. | ◆ Make best use of all community assets. |
| ◆ Set the general course of Chamber procedure. | ◆ Appraise results. |
| ◆ Utilize the Chamber's manpower. | ◆ Inspire continuing action. |
| | ◆ Communicate successes. |

The director who approaches his/her responsibilities from the proper standpoint can do much to contribute to the betterment of the Chamber of Commerce, the members, the business community, and the community in general.



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Common Board Challenges/ Remedies

Boards are constantly faced with challenges. While some of these are unique to one specific board, others are common from board to board.

What follows are not presented as final answers; they are only suggestions for consideration. Caring always arrives at the ultimate answers – hard-working and sensitive people working on specific problems in their own unique content.

Challenge 1 — An issue discussed for an entire meeting is still unresolved.

- Go around the table for final comments; then call for a vote.
- Summarize the discussion to help board members sort out their thoughts and move towards a conclusion.
- Analyze the cause of the stalemate. Perhaps people do not thoroughly understand the issue through having missed meetings. Perhaps they have differing understandings of key words or of the language used to describe the issue. Perhaps someone is refusing to compromise through stubbornness or strongly held beliefs.
- Sometimes it is helpful to ask each board member to stop for a moment to put thoughts down in writing. Then use the written notes for the basis of a *pro and con analysis*.
- Ask board members how they think the stalemate can be resolved.

To avoid such situations in the first place, you might try the following:

- Send out briefing material at least a week ahead of time.
- Prepare a purposeful agenda, established and agreed to prior to the meeting.

Challenge 2 — Decisions are predetermined by the President and/or Director(s).

- The challenge should be placed on an agenda for a board meeting so that it can be openly addressed.
- Unless the offending practice is challenged at board meetings or at the annual meeting, no change can occur. Members must speak up.
- Strongly encourage every board member to commit before each decision is made.

- Stress the fact that the board member has an advisory role to the board and to the sub-committees.
- Send a delegation of board members to meet with the president and/or director(s) and to express their concern.

Some avoidance tactics can be used to prevent such a practice:

- Have a clear policy about decision-making procedures. This would clarify that all decisions must be made at board meetings.
- Use the executive committee for important decisions that must be made between board meetings (these must decisions to be ratified by the board).
- Use sub-committees to research issues, then to report to the board with recommendations.
- Establish an agenda committee with decision-making procedures. All items on the agenda must be discussed before decisions can be made.
- At the beginning or ending of each meeting, go through a roundtable procedure where any unresolved issues can be brought forward.
- Hold one-day retreats or study sessions to evaluate the board's performance and to discuss problems and other important issues.

Challenge 3 — Tension and conflict exists between the administrator and the board, a director and the board or between the president and the board.

- Tensions should be discussed openly at an applicable board or staff meeting to determine the nature of the problem. Is it a personality, policy, or practice issue? Notify people beforehand that you will be doing this, and then begin by reporting the reactions to your proposed action.
- Discuss tensions openly at an applicable board or staff meeting. Again, notify all concerning that you will be taking this step. Ask for opinions on the cause of the tension and ideas how it might be dealt with. Report what you were told in these regards as a starting point for the discussion. Do not fail to give your own views.
- Select an intermediary, respected by both parties, to discuss the issue with both parties separately and together. This measure should only be taken if other less-threatening options have not succeeded.
- A clear policy of action should be in your mind in case no workable arrangement can be achieved. For example: major disagreements will be brought before a meeting where the parties are in attendance, a vote is taken and one or both parties resign.

- All parties should be aware of the danger of tensions and conflicts and should do research on ways to ease such problems and how to avoid them.
- Sometimes tensions exist because one party feels that the board does not allow them the sufficient exercise of authority. A clear definition of responsibilities and what cannot be done should be presented every time there is a turnover on the board or with the staff.
- Encourage open communication on the scope of the Chamber's work, of its successes as well as its failures and challenges. It is a good idea to ask for a report from the administrator at every meeting.
- Committees' research, ideas, and recommendations, if presented before a board meeting to the executive committee, allow for rough edges to be smoothed away and sometimes avoid conflict at the board meeting.

Challenge 4 — A talkative member takes over a meeting, or a quiet member does not contribute.

- Find out why the behavior occurs and seek jointly to develop a means of handling it. Is it because although the quiet person has good ideas, they are shy or not prepared? Is it because the talkative person is nervous, or feels left out, or afraid of not being heard?
- Use a roundtable method where everyone is asked to speak during the meeting and at the end of the meeting. No one speaks twice until all have spoken once.
- Encourage and train the president to conduct the meeting in an orderly fashion. This includes stopping talkative members and encouraging quiet ones. Any board member can participate in this.
- Assign members to sub-committees where there are fewer people involved. Match up people so quiet ones have a chance to talk and talkative ones have a chance to listen.
- It is important for the president to listen carefully. When members repeat themselves regularly or wander a long way from the topic, the president could interrupt and point out that the member has expressed himself/herself well. Then he could ask someone else to speak to the topic.
- Quiet members are more likely to express an opinion if they are not the first to speak. Begin the roundtable with someone else.
- The president can encourage quiet members by asking leading questions. For example: "*We haven't heard from you yet, Frank. What ideas do you have as to why this plan might succeed or fail?*" However, always be cautious of embarrassing anyone.
- In extreme cases, a time limit can be set for each member to speak.

- New presidents should be offered a little bit of training in meeting control.
- The president should stick to the agenda and to cover all its items. This demonstrates that the agenda is realistic.
- Depending upon the situation, a talkative member can be made the chair of a sub-committee. There will then be the opportunity to report to the board and the responsibility to get input from other members. In this way, they will be guaranteed a chance to contribute and will feel their talents are being utilized.

Challenge 5 — One member intimidates others on the board or staff.

- Make sure that the aggressive member realizes what effect the behavior has on other people. This can be done in several ways:
 - Discuss the behavior with the person and try to develop a plan to change.
 - Choose a board member or staff person, whom the member likes, to initiate such a discussion.
 - Enlist the help of a community member, respected by the aggressive person, to discuss the behavior.
 - Discuss the situation openly in a board meeting.
 - Develop a "code of conduct".
- Have a roundtable at the beginning and ending of each meeting. Make sure that the aggressive person answers last.
- Secret ballots can be used to deal with some issues raised in board meetings. The results will be openly announced and, in this way, the intimidating person will be able to take note of the opinions of others.
- Utilize your termination bylaw if necessary. In this way, a member can be suspended or asked to resign for just cause and if all other members agree to it. This should be a last resort.
- Educate the board so they understand the democratic process. That is, so they remember that each board member is entitled to an opinion, is allowed to express that opinion, and can vote as they see fit.
- Remind the board often that it is only after all opinions are heard that a good compromise or consensus can be reached.
- Allow time for analyzing why a suggestion will or will not work. Insist that all members be involved in this process.

Challenge 6 — What the board would like to see and what the staff believes they can accomplish are worlds apart.

- Have realistic goals and expectations.

- Begin each fiscal year with a joint staff-board meeting where open discussion takes place.
- Communicate — find out exactly the staff capabilities and resources.
- Find out what other organizations are doing in regard to goals, budgets, staff procedures, and board policies, etc.
- Find out what other organizations are accomplishing in regard to caseloads, service delivery, etc.
- Honestly analyze the board's expectations in the light of what you have learned about other organizations.
- Have clear-the-air discussions where both board and staff can be heard.
- Ask for ideas, suggestions, and solutions from staff.
- Ask for complete and honest information on service issues. If staff believes they are overloaded, ask them to describe the situation with examples. If memberships are down, ask for reasons. If there are member complaints, have them documented.
- Openly review past examples of failures or unmet expectations.
- Appoint a staff/board task force to investigate particular issues and suggested approaches. Ask for background facts and opinions at an open board meeting.
- Develop board training sessions using outside resource people.
- Ask staff to prepare written information on workloads, budget concerns, failures, and expectations.
- Encourage frank discussion and assure staff that you will take their concerns under review.

Challenge 7 — Sometimes it is necessary to take an unpopular stand.

It is a challenge for a board when it must take an unpopular stand. However, there are some constructive ways of dealing with this situation when it does happen.

I. **Taking an unpopular stand in terms of the community**

- Be sure that all possible information is reviewed before the decision is made and that all arguments are heard. Sometimes, unpopular decisions are hasty ones where important information or arguments have been excluded.
- It may be necessary to call a community meeting to discuss the action. Plan and prepare for the meeting carefully. Allow the audience to express its concerns. Be able to answer questions intelligently.

- Publicize a controversial board action as a board decision, not an individual one. Public announcements should not indicate individual names or votes.
- Within the bounds of good faith, publicize the reasons for an unpopular decision. Present pro and con arguments in an unbiased way.
- The president should personally explain unpopular decisions to the staff.
- The president should personally explain unpopular decisions to the community.
- Inform other affected community agencies of the action. Don't let it come as a surprise.
- The president must provide personal support for each board member when these occasions arise.

II. Making a decision that is unpopular with the staff

- Before the decision is voted on, the president must ensure the board members have all the facts available and must make sure that each member understands the issue.
- Meet with the administrator to discuss the implications before the decision is made. Thorough preparation can soften bad news, avoid poor decisions, and help prevent ill feelings.
- Hold a joint board-staff meeting and explain the decision. Staff must know that the decision was arrived at only after full and open discussion.

III. Taking an unpopular stand as a board member

- Be sure you examine your stand and understand why you are taking it.
- Do not take this stand hastily. Sleep on it.
- Explain your position to fellow board members.
- Sometimes it's appropriate to explain your position in a public talk or in written form.
- Develop a support group of individuals who understand why you are doing what you are doing and who can assist you in weathering the storm.
- If you are publicly criticized, either by individuals or the media, encourage the president to comment on your behalf regarding the right to dissent.

Challenge 8 — Emotional meetings occur that are draining and create negative feelings which carry over for a long time.

- Keep meeting short. If there is much to discuss, have more frequent meetings.
- Do not make decisions when people are tired or upset.
- Take a short break when emotional heat becomes intense.
- Once an issue that has aroused emotions has been thoroughly dealt with, the president must seek to keep the issue closed. It cannot be allowed to surface again and again.
- Sometimes it helps to ask each member to write out their views or feelings. These written points can become the basis for discussion. The written word is not as inflammatory as the spoken word.
- Encourage each member to express feelings openly rather than to complain and spread negative feelings outside the meeting.
- Deal with challenges and emotions expressed **as soon as possible**.
- Organize a workshop with an effective group leader to process the feelings and talk about remedial action. Let everyone know the issues ahead of time and indicate that all views will be heard.
- Call a special meeting to discuss feelings. This could be done at a retreat away from the Chamber. Encourage feelings to come out and ask everyone to state theirs. This requires a president who is sensitive to what is said, open to feelings, and able to handle the conflicts.
- Call members personally (or visit them) to hear the problems needing clarification or the points where reconciliation can be begun. With permission, record these points and discuss them at the next meeting.
- Table the inflammatory motion and ask members to think about it for the next meeting.
- Hold annual meetings between the president and each board and the administrator to obtain opinions regarding the Chamber, its management, and its operations.
- Educate board members as to the value of compromise and objective assessment of other people's ideas.
- Sometimes emotional meetings occur because the president does not know when to stop in and limit discussion. It is the president's responsibility to keep control of the meeting.

Challenge 9 — Some board members regularly don't attend meetings, or don't participate when they do.

- The president should phone those who miss meetings to determine the cause. There may be a perfectly good reason; for example, death or illness in the family, impassible roads, etc. On the other hand, the member may not be interested in the role of board member, or may feel they don't have a proper handle on the job.
- Perhaps the real problem is in the meeting process itself. If so, identify what is wrong and take corrective measures. For example:
 - Shorten meeting duration;
 - Send out briefing material ahead of time;
 - Limit discussion;
 - Stay with the agenda;
 - Assign controversial issues, or those on which sides can be taken, to a sub-committee for research;
 - Bring in training and resource people;
 - Consider relocating the meeting place if the present one is inconvenient to some members;
 - Begin the meetings at a time that is convenient to the majority; and,
 - **Begin and end each meeting on time.**
- Bring the idea of challenges with the meeting process to the board. Discuss the reason you have put it on the agenda. Ask for suggestions for improving the meetings.
- Ask non-participating board members to assume important roles on sub-committees. Or ask them to prepare a report for the next meeting, or to assist in interviews with members. That is, make them feel like an important member of the board.
- Adopt clear membership roles and make sure that all board members know what these are.
- Board members who miss a stated number of meetings (without just cause) will be asked to resign from the board or will be automatically off the board.
- Do not be afraid to insist on the resignation process. Members who cannot or will not do the job should be asked to resign.
- Do your best to keep the agenda moving. Boredom is often the cause for lack of interest among board members.

Challenge 10 — Questions arise about board fees, expenses, and travel.

Chambers cannot pay board members an honorarium (a fee for sitting on the board). This is addressed in your bylaws. Occasionally, a board member will incur expenses while carrying out Chamber business. Community members, the media, or others may query the advisability of paying expenses, and travel money to volunteers.

- The board must set a clear policy regarding money and its expenditure by board members. The following questions should be considered.
 - Is travel money available?
 - If so, who receives it? How often?
 - How much does it cover? What kind of travel? To and from meetings or just travel expenses to special affairs?
 - How is it paid?
 - What other expenses are covered?
 - Is money available for courses?
- Make the authorization for expense money a policy. For example, a member may need two approvals for expenses and travel, and one of these must involve the board.
- Expect regular reports by those who travel. These should outline why the travel occurred, who went, why, and what was learned or accomplished.
- Try to share these trips so that the same board members do not always get the chance to go to conferences or events.
- Do not expect members to finance Chamber work from their own pockets. Do insist that they document what money they have spent and provide receipts.
- Repay expenses promptly.
- Adopt a policy on the use of Chamber resources — vehicles, rooms, phones, business equipment, etc. These are not to be used for personal needs.
- Be open about expenses covered. Notify the media of the organization's travel activities. Provide names, dates, destinations, and reasons.

Challenge 11 — Questions arise about staff salaries, expenses, and travel.

- Salary schedules should be in writing and known to all board members.
- Salaries should be reviewed once a year after a performance evaluation which can measure success.
- Procedures to determine and negotiate salaries must be in writing and known to all staff. For example, indicate how advertising is done, criteria for each salary step, whether or not there is a personnel committee, staff/board roles in setting salaries, etc.

- There will be fewer questions about salaries paid if these are in line with what other Chambers are paying.
- Reward competence. Avoid automatic pay raises.
- Set a travel and expense policy.
- Indicate what is allowed for these in the budget.
- Ask the administrator to keep the board informed as to the purpose of each trip or non-routine expenditure, for example, excessive long distance phone charges.
- In setting expense rates (mileage, etc.) use provincial government rates as guidelines.
- Expect properly documented expense accounts.
- Pay expenses promptly.

Challenge 12 — Negative rumors and stories begin to circulate about the Chamber or people connected with it.

- Find out if the story is true — or partly true.
- Trace the source of the rumor if possible.
- Take appropriate action. Publicize what was done.
- If the rumor is **true**, you must be completely transparent:
 - Call a board meeting as soon as possible;
 - Decide on the action to be taken at the meeting – the administrator should attend the meeting;
 - If the issue concerns financial dishonesty or some other legal infringement, ask for the offending member's resignation;
 - Make sure the board and staff knows the full, true details before action is taken;
 - Contact key community people and provide accurate information;
 - You may want to call a community meeting after first providing the media with full details;
 - You may want to call a news conference; and/or,
 - You may want to call for an audit of the organization's books.
- Appoint one spokesman (generally the president) to answer the media. No one else should speak to the question.
- If the rumor is **not true**:
 - Enlist the assistance of the media in counteracting the rumor. Do this by putting all the facts before them, preferable at a news conference or board/media meeting.

- The same step should be taken to inform members, community, etc, as are taken when the rumor is true.
- Those persons who started the rumor, or who are actively spreading it around, should be made aware of the board's intention to the official action.

Challenge 13 — Conflicts arise over the hiring or firing of staff.

- Job openings should be publicly advertised.
- Interview all reasonable candidates.
- Use a standard criteria sheet to score each interview.
- There should be board representation on the interview committee.
- Hiring criteria should be in place.
- Follow up letters of reference with personal calls. Don't assume that referees are completely honest in what they say in the letter.
- There should be a written contract that clearly defines money matters, job description, staff benefits, termination procedures, etc.
- Do not lay yourself open to action. Ensure sure you know the law as it pertains to hiring and firing.
- Adopt a clear termination procedure stating the following:
 - Who has the right to fire an employee;
 - How it shall be done (letter, oral);
 - Notice required;
 - Reasons that cause an employee to lose their job;
 - Appeal procedure; and,
 - The board and administrator should review termination cases. Each should review the file privately and then sit down together to discuss what should be done. People who are fired have the right to talk to the board or the termination committee.
- In the case of the administrator being the one who is terminated, the entire board should be involved.
- Staff members (including administrators) who do not meet expectations should receive oral and written warnings and should be told of areas where improvement is required. They should know the consequences if problem behavior is not corrected.
- Staff who leave of their own accord must give proper notice. The notice period required should be part of the written contract.

- Staff should receive annual oral and written performance appraisals. These should become part of their files and should be reviewed at the time of termination.
- Copies of all written appraisals should be available to the staff member involved.
- Boards usually do not involve themselves in Chamber staff matters but must keep informed.



Board Committee Evaluation

This evaluation is a tool for directors to assess how well their Chamber has carried out their mandate over the previous year. The board of directors is responsible for advancing the mission of the Chamber, engaging in strategic planning, fulfilling fiduciary responsibilities, monitoring programs and services, being an advocate for our Chamber membership, and building the staff/board/committee partnerships.

A. Mission

	Yes	No	Not sure
A-1: The board understands and embraces the mission of the Chamber	Y	N	N/S
A-2: The board understands and embraces the mandate of the Chamber	Y	N	N/S
A-3: The board provides adequate support to the Chamber and its activities	Y	N	N/S
A-4: Staff provide adequate support to the board and its activities	Y	N	N/S

B. Fiscal Management

B-1: The board understands its financial responsibility and the fiscal policies of the Chamber	Y	N	N/S
B-2: The board receives sufficient information to keep current regarding its financial performance (per event and overall)	Y	N	N/S

C. Programs and Services

C-1: The board receives adequate information on members' needs, expectations and satisfaction to make decisions about programs and services	Y	N	N/S
C-2: The board plans programs and services well in advance, to ensure adequate time to organize and promote them	Y	N	N/S
C-3: The board monitors its programs and services to ensure they are of consistently high quality and of value to the members	Y	N	N/S

D. Board/Staff/Committee Partnerships

D-1: A climate of mutual trust and respect exists between the board, committees and staff	Y	N	N/S
D-2: Committee chairs feel empowered to lead and manage their committees successfully	Y	N	N/S
D-3: The committee, in conjunction with its members, the board, and staff liaison, have agreed upon how to define success for the committee	Y	N	N/S
D-4: The committee seeks and respects the opinion and the recommendations of the board and staff liaison	Y	N	N/S

Board Effectiveness

A. Roles and Responsibility

A-1: The board has developed a terms of reference for each committee

Yes	No	Not sure
Y	N	N/S

A-2: The board has developed a job description for the committee chairs

Y	N	N/S
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A-3: Directors execute their responsibilities towards committees

Y	N	N/S
---	---	-----

B. Governance Structure

B-1: Each committee and task force has a specific mandate and performance is reviewed regularly

Y	N	N/S
---	---	-----

C. Board Dynamics

C-1: Committee chairs have sufficient opportunity to express themselves to the board

Y	N	N/S
---	---	-----

C-2: There is effective and appropriate communication between the board, its committees and task forces

Y	N	N/S
---	---	-----

D. Meaningful Meetings

D-1: All members receive notices, agendas and minutes for review prior to their meetings

Y	N	N/S
---	---	-----

D-2: Meetings make the most productive use of members' time

Y	N	N/S
---	---	-----

D-3: Meeting schedules are convenient

Y	N	N/S
---	---	-----

D-4: Meetings start and end on time

Y	N	N/S
---	---	-----

Committee Development

A-1: The committee currently contains a sufficient range of experience to make it an effective body

Y	N	N/S
---	---	-----

A-2: The committee is representative of the membership

Y	N	N/S
---	---	-----

A-3: The liaison board member helps identify candidates for leadership roles, either at the committee or board level

Y	N	N/S
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A-4: A comprehensive orientation program is in place

Y	N	N/S
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General Assessment

1. What issues require the board's special attention during the next 12 months?

2. How can the board help your committee in the next 12 months?

3. What change would you make to the Chamber or your committee that would bring immediate value to members?

4. What other comments or suggestions would you like to offer related to board or staff liaison with your committee?

Courtesy of Greater Moncton Chamber of Commerce



Board Member Performance Assessment

Response Scale

very well 5	well 4	OK 3	poorly 2	not at all 1
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(Place a check mark in the box that most accurately reflects how well you think you are doing.)

#	STATEMENT	5	4	3	2	1
1	I am knowledgeable about the Chamber's major programs & services					
2	I have read and have a working knowledge of the Chamber's Bylaws					
3	I believe in and support the Chamber's Mission Statement					
4	I inform the office with as much advance notice as possible of being unable to attend a board meeting					
5	I come to meetings having read agenda related materials					
6	I actively participate in Board discussions					
7	I respect the confidentiality of Board discussions where appropriate					
8	I avoid, both in fact and in perception, conflicts of interest regarding my role and responsibilities as a member of the Board					
9	I respect other Board members rights to hold views and opinions different from my own					
10	I willingly volunteer for committee or task group responsibilities					
11	I spend time each month fulfilling my role as a member of the Board of Directors					
12	I complete all assignments in a responsible and timely manner					
13	When I obtain information that could have an impact on the Chamber of its work, I make sure that it is passed along to the president or administrator in a timely manner					
14	I focus on the long-term policy issues rather than administrative matters, and I trust the day-to-day operations of the Chamber to the Administrator					
15	I seek formal and informal opportunities to communicate with and learn the views, interests, concerns and expectations of our various stakeholders					



Director's Code of Conduct

A written director's code of conduct should articulate what the directors expect from one another in terms of their preparation for the meetings, interaction at meetings and society-related behaviour outside of meetings. The greatest benefit of having this type of material discussed, debated and decided by the board is that it results in a clear articulation of what kind of performance is acceptable to the directors themselves.

The code should include the board's fundamental policy positions such as:

1. Directors shall endeavour to direct the activities of the organization as a whole rather than in their own interest or that of any specific group.
2. Directors shall maintain the confidentiality of the details and dynamics of board discussions, as well as those items designated as confidential.
3. Directors' contributions to discussions and decision-making shall be positive and constructive and directors' interactions in meetings shall be courteous, respectful and free of animosity.
4. Directors shall adhere to the principle that the administrator is responsible to the entire board and consequently that no single director or committee has authority over the administrator.
5. Directors shall adhere to the principle that the president is the communications link between the board and the administrator.

A similar code of conduct should be developed for the administrator that articulate what the board expects from the administrator.

*Taken in part: By Thomas C. Abbott, B.Comm., CGA, CAE
www.amcdirectory.com*

Board Role vs. Administrator Role

AREA	BOARD	ADMINISTRATOR
Long term goals (more than 2 years)	Approves	Recommends & provides input
Short term goals (less than 1 year)	Approves	Recommends & provides input
Day-to-day operations	No role	Makes all management decisions
Budget	Approves	Develops with finance/audit chair
Capital purchases	Approves	Prepares requests
Decisions on building, renovation, leasing, expansion	Makes decisions, assumes responsibility	Recommends (could sign contracts if given authority)
Supply purchases	Establishes policy	Purchases according to board policy and approved budget and maintains audit information
Major repairs	Approves	Obtains estimates and prepares recommendation
Minor repairs	Policy should include amount that can be spent without board approval	Authorizes repairs up to prearranged amount
Emergency repairs	Works with administrator	Notifies president and acts with concurrence from board
Cleaning & maintenance	No role	Sets up schedule(s)

Board Role vs. Administrator Role

AREA	BOARD	ADMINISTRATOR
Hiring of staff	No role	Approves all hiring of employees within budget
Staff deployment and assignment	No role	Establishes and manages
Dismissal of staff	No role, except that of the administrator	Makes final dismissal decisions
Personnel policies	Adopts	Recommends and implements
Staff grievances	No role	Handles grievances
Staff salaries	Allocates line item for salaries in budget; approves salaries	Recommends staff salaries
Staff evaluations	Evaluates only administrator, no role with staff	Evaluates staff