

Your Co-op's Board of Directors Checklist

✓ Are all the positions on your board filled?

A strong board of directors is key to a healthy co-op. You are more likely to have a strong board if all the positions are filled and directors serve their full term. You may have trouble keeping all your board positions filled for two reasons:

1. Your board is too large

Compare the size of your board to the number of units in your co-op. Think about how many other volunteer positions you need to fill. You may want to reduce the number of directors on your board so that some of your active members can do other tasks in the co-op. Most co-ops find that a board of seven to nine works well. Before reducing the size of your board, check the co-op act in your province to find out what the minimum number of directors is.

2. You need to change your election process

Your co-op is more likely to have a strong board if you plan carefully for your board elections. Electing the board is one of the most important decisions members make each year. Follow the steps below to make sure you have lots of good candidates. Keep the process simple so that you don't scare people off.

Set the election date early: Pick a date at least three months away and tell the members. You can tell them through:

- your newsletter
- bulletin boards
- flyers
- other meetings
- phone calls

Some co-ops have decided to hold their election on the same day each year, for example, the last Monday in November.

Be clear about the board's role: Write down what the board does (no more than one page). This is very important for new members. It will help all members decide if they have the interest or the time. Hold a Board Basics workshop for anyone who wants to find out more. Assure members there will be training for new directors and that past experience isn't needed.

Nominations: Some co-ops use nomination forms. Encourage candidates to fill them out well ahead of the meeting. That way the Board will know how many candidates there are and members can start thinking about who they will vote for. If your co-op forbids members in arrears from running, be sure to remind members about this rule.

You can get more candidates by asking them directly to run. Try to get more candidates than there are positions open. Don't overlook new members of the co-op.

Meet the candidates: Hold a meet-the-candidates session. Ask candidates to prepare a page about themselves and why they want to be on the board. Have a candidates' question and answer part to the meeting and a time for informal talking with refreshments. Or you can ask candidates to come an hour or so before the election meeting starts so members can meet them and ask questions.

Explain the election: At the election meeting, explain how the co-op runs its elections. There are almost always new members and they won't necessarily know your co-op's process.

Speeches: Ask each candidate to speak for 2 to 3 minutes about why they want to be on the board. You may want to allow time for questions before members vote.

Vote: Make sure the chair is able to explain the rules of voting. In many co-ops a member must cast as many votes as there are positions to fill. In some provinces this is the law. If members vote for less than the number of vacant positions, their vote won't be counted.

Mid-term vacancies: From time to time, a director will resign part way through their term. Usually the board has the option of appointing a new director to fill the balance of the term or holding an election. Check to co-op act in your province and the rules of your co-op to find out the details.

✓ Does your board have a regular schedule of meetings?

Most members lead busy lives. They may have jobs, school or families to look after. The co-op isn't their only responsibility. A regular schedule will increase the chances of directors attending every meeting and will help your co-op run better. When directors miss meetings, the board ends up going over the same issues again and again. So set the dates for your board meetings well in advance.

Getting the business done

The board has business it must take care of. This includes:

- dealing with arrears and vacancies
- reviewing financial reports
- reviewing management and committee reports

A regular meeting schedule means everyone knows when their reports must be ready.

How often should the board meet?

That depends on your co-op and what's happening. Most boards have a meeting for routine business once per month. A board may hold an extra meeting if there are special issues to talk about.

If your board regularly meets more often than once or twice a month, or you have long, unproductive meetings, review your agendas and minutes. It may be because:

- the roles of staff, board or committees are not clear
- the board is redoing the work of staff or committees
- your co-op has fallen into a crisis management mode
- you may have gaps in your policies and procedures so that the board is making decisions on a case-by-case basis
- the meetings may need tighter chairing

When during the month should the board meet?

Think about what the board will have to discuss. The third or fourth week of the month is usually best. Financial statements should be ready in the second half of the month and there will be a clear picture of who is still in arrears.

How often should a co-op have members' meetings?

Have a members' meeting if there is business to do. You will need at least two meetings per year. You will need a meeting to approve the budget and a meeting to approve the audit and elect the board. Some co-ops regularly hold a members' meeting every month. However, if there is no real reason for the meeting, members will soon stop coming.

✓ Do directors review the minutes at each meeting?

The minutes are a written record of decisions made in a meeting. They don't have to include details of the discussions. In a co-op, you should take minutes at meetings of the board, committees and the general members.

Types of decisions

Your co-op may make decisions by voting on motions or by consensus. Consensus is when you talk about an issue until you arrive at a decision everyone can support. Many co-ops actually use both methods. What's important is that you record all the decisions you make.

Here are some examples of decisions you should record in the minutes:

- membership approvals
- spending money on unbudgeted items
- emergency expenses (usually after the fact)
- budget and housing charges the board will recommend to the members
- by-law or policies or amendments the board will recommend to the members
- hiring or terminating staff or management company
- other contracts
- evictions or membership terminations

Include an action column or "To do" list

It's a good idea to include an action column in your minutes. This will say who will follow up on each decision. Or you can include a "To do" list at the end of the minutes and put a name beside each item. Try to get the minutes out shortly after the meeting so the action column will remind people of what they agreed to do. It will also increase the chance of timely follow-up.

Approval of minutes

Put approval of the minutes on the agenda of each meeting. This is how the group agrees that the minutes accurately record the decisions they made at the last meeting. Normally someone who was at the meeting will move the motion to approve the minutes. The group should then vote to adopt them.

✓ Do your directors sign an agreement on their conduct?

Board members are leaders in the co-op. Often how the board makes its decisions is as important as the actual decisions. More and more co-ops are asking directors to sign what we call an ethical conduct agreement. These agreements cover one or more of these issues:

- conflict of interest
- following the by-laws and policies
- supporting board decisions
- confidentiality

Conflict of interest

A conflict of interest means that you, or someone in your unit or family, may gain financially from a board decision in a way that other members can't. Or it could be that you have a close personal relationship with someone that may influence the decision you make. Board members have a legal duty to put the co-op's interests before their own interests. They need to avoid conflicts of interest and tell other directors if a conflict does come up. When directors have a conflict of interest, they must not vote on the issue and should leave the room while the board talks about it.

✓ Does your board follow the by-laws and policies?

Directors need to set a good example by following all the co-op's by-laws and policies. The co-op should not treat a director differently than any other member. This applies to:

- paying housing charges
- receiving subsidy
- prioritizing maintenance
- moving internally
- or any other by-law or policy

Many co-ops have by-laws or policies that require a director to resign if they are in arrears and have not signed a payment agreement or are not making the payments required in the agreement.

Supporting board decisions

Directors don't always agree with each other, but once the board makes a decision, all directors need to support it. If a director disagrees publicly with a board decision, he or she should resign.

Confidentiality

It is very important that directors not share confidential information outside of board meetings. This applies even after a member is no longer a director. The following types of information about members are confidential:

- income
- credit history
- whether the member receives subsidy
- whether the members is or has been in arrears
- other personal information in the members' files.

Information in employees' personnel files is also confidential.

Sometimes boards refuse to give information to members saying it is confidential when in fact it is not. For example, the following information is not confidential:

- the number of members who receive subsidy
- the number of households who are in arrears
- the total amount of arrears to the co-op

✓ Do directors receive board training?

Training helps new directors learn their roles more quickly, but all board members can benefit from training, even experienced board members. Training produces a stronger, more capable board that will be better able to manage the co-op.

Here's where to get training and information

From CHF Canada

- Member Education Forum at our Annual General Meeting
- regional education events, if there is no federation in your area
- our Web site – www.chfcanada.coop
- advice over the telephone

From your local federation

- workshops – either centrally offered or custom (portable)
- the federation's Web site
- advice over the telephone

At your co-op

- your member handbook
- resource materials, such as Co-op Housing Bookstore manuals and workshop handouts

Cost

There are usually costs to attend workshops. Think of the money as an investment. And make sure you include money for training in your annual operating budget.

Getting the most out of your education budget

Ask members who attend workshops to make reports at the next board meeting. Get them to focus on two or three things they learned that would help the co-op function better. Ask them to share the handouts they received at the workshops. There should be a central place for storing workshop handouts.

✓ **If your co-op employs staff, do you have written employment agreements?**

Why have a written employment agreement? Because it's the best way to be clear about how you and your staff work together. It may take some time to reach agreement, but it's worth it.

Here is a list of key items to include in your employment agreement:

- job description or list of duties
- who can revise the job description
- salary or wages and hours of work
- vacation and benefits
- who supervises staff
- the process for performance evaluations
- a designated board member that staff can go to if they have a problem
- what the staff can do if they experience harassment or discrimination
- how the co-op will provide a safe and healthy work environment

You have to follow the employment standards laws in your province. Nothing in your employment agreement can contradict the law.

For more information on employing staff, consult *You, your staff and the law*, available on the CHF Canada Web site, www.chfcanada.coop.

✓ **Do you have performance evaluations**

A well-run co-op evaluates its staff each year. An annual performance review is a chance to:

- review progress towards goals and priorities
- evaluate staff performance in relation to their job descriptions
- hear from staff about their accomplishments and challenges
- talk about any changes needed in the job descriptions
- discuss training or professional development that will improve performance or allow staff to take on new responsibilities