

# BOARD OF DIRECTORS **QUICK REFERENCE TOOLKIT**

# INTRODUCTION

Welcome to the **Quick Reference Toolkit** for boards of directors of community organizations!

This toolkit is designed to support you in fulfilling your responsibilities as a board member by providing clear, concise, and practical resources. Whether you are new to governance or an experienced director, the tools included here will help you navigate the unique challenges of leading a nonprofit organization.

Inside, you'll find templates, checklists, and guidelines covering key topics like governance best practices, strategic planning, financial oversight, and legal obligations. These resources are tailored to the Québec context, including compliance with provincial laws and alignment with the needs of our communities.

Use this toolkit as a quick reference during meetings, for onboarding new directors, or whenever you need practical guidance. By working together with the right tools, you can help your organization achieve its mission effectively and sustainably.

Let's build stronger communities—one decision at a time!



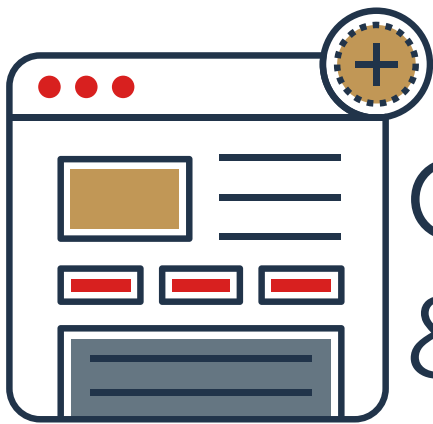
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# CHECKLISTS & GUIDES

# Quick checklist for new board members

Confirming these elements ensures transparency and prepares you for effective governance.

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## 1. Governance and Legal Compliance

- **Bylaws and Policies:** Review the organization's bylaws and key governance policies (e.g., conflict of interest, code of conduct).
- **Board Structure:** Confirm clarity on roles, responsibilities, and decision-making processes.
- **Incorporation Status:** Ensure the organization is properly registered and in good standing with the Quebec Enterprise Register (REQ).

## 2. Financial Oversight

- **Financial Statements:** Request recent financial statements to assess the organization's fiscal health.
- **Budget and Audit:** Confirm the organization has a budget and undergoes regular audits (if applicable).
- **Liability Insurance:** Verify the presence of directors' and officers' liability insurance for legal protection.

## 3. Expectations of Board Members

- **Time Commitment:** Understand meeting schedules, committee work, and event participation expectations.
- **Fundraising Responsibilities:** Clarify if board members are expected to contribute financially or fundraise.
- **Orientation:** Confirm a robust onboarding process is in place for new members.

## 4. Organizational Mission and Alignment

- **Mission and Values:** Ensure alignment with the organization's mission and core values.
- **Strategic Plan:** Review the current strategic plan to understand goals and challenges.

## 5. Organizational Culture and Leadership

- **Leadership:** Meet with the board chair and executive director to gauge leadership effectiveness.
- **Board Dynamics:** Assess the board's culture, including decision-making and collaboration processes.

# Fiduciary Duties: A Quick Guide for Board Members

Board members have a legal responsibility to act in the best interests of the organization. This involves three main fiduciary duties: **Duty of Care**, **Duty of Loyalty**, and **Duty of Obedience**.

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## 1. Duty of Care

- **Definition:**
  - Board members must make informed decisions, act with diligence, and stay well-informed about the organization's operations.
- **Key Actions:**
  - Regularly attend meetings.
  - Review financial reports and documents.
  - Ask questions and seek clarification when needed.
  - Stay informed about the organization's activities and sector trends.
- **Red Flag:**
  - Failing to review financial reports or missing key meetings regularly.

## 2. Duty of Loyalty

- **Definition:**
  - Board members must act in the organization's best interests, avoiding conflicts of interest or personal gain from board activities.
- **Key Actions:**
  - Disclose any conflicts of interest.
  - Avoid using your board position for personal or professional advantage.
  - Recuse yourself from votes or discussions where you have a personal interest.
- **Red Flag:**
  - Participating in board decisions that could benefit your personal business without disclosure.

## 3. Duty of Obedience

- **Definition:**
  - Board members must ensure the organization follows its mission and complies with all relevant laws and regulations.
- **Key Actions:**
  - Uphold the organization's mission and values in all decisions.
  - Ensure compliance with laws, regulations, and bylaws.
  - Oversee that the organization operates ethically and legally.
- **Red Flag:**
  - Approving actions that contradict the organization's mission or violate laws or regulations.

## **Practical Tips for Meeting Your Fiduciary Duties**

- Always prepare for board meetings by reviewing materials in advance.
- Ask for legal or financial advice when necessary.
- Regularly review conflict-of-interest policies and recuse yourself when applicable.
- Stay engaged with the organization's mission and impact.

**Remember:** Fulfilling your fiduciary duties protects the organization and ensures its success!

# Effective Board Functioning: Best Practices

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## 1. Strategic Governance

**Stay mission-focused:** Ensure all decisions align with the organization's mission and long-term goals.

**Regularly review the strategic plan:** Revisit and adjust the strategic plan to reflect progress, changes, and new opportunities.

**Set clear policies:** Establish policies that guide decision-making and operations, keeping the organization on track.

## 2. Effective Board Meetings

**Prepare in advance:** Distribute agendas, reports, and materials before meetings, and review them ahead of time.

**Keep meetings focused:** Stick to the agenda, and ensure discussions are relevant to the organization's mission and strategy.

**Encourage active participation:** Create an inclusive environment where all board members are encouraged to share their perspectives.

**Document and follow-up:** Record meeting minutes, track decisions, and assign action items with clear deadlines.

## 3. Financial Oversight

**Review financial reports regularly:** Ensure the board reviews financial statements and budgets at each meeting to monitor financial health.

**Establish a financial committee:** If necessary, delegate oversight to a finance or audit committee to ensure detailed scrutiny.

**Approve budgets and major expenditures:** Be actively involved in budgeting and financial planning, ensuring alignment with strategic goals.



#### 4. Legal and Ethical Responsibility

**Ensure legal compliance:** Make sure the organization adheres to all relevant laws, including tax and regulatory requirements.

**Maintain conflict of interest policies:** Disclose any conflicts of interest and follow proper procedures to handle them transparently.

**Ensure ethical governance:** Foster a culture of integrity and accountability, ensuring the organization operates with transparency.

#### 5. Leadership and Accountability

**Hire, and evaluate the executive director:** Appoint, support, and regularly evaluate the executive director's performance.

**Delegate effectively:** Trust staff to manage day-to-day operations, and focus on high-level strategy and oversight.

**Commit to board education:** Regularly provide opportunities for board members to receive training on governance and leadership.

#### 6. Board Engagement and Development

**Recruit diverse, skilled members:** Bring in members with diverse skills, backgrounds, and perspectives that complement the board's needs.

**Conduct board self-assessments:** Evaluate the board's effectiveness annually and identify areas for improvement.

**Foster a positive board culture:** Encourage collaboration, respect, and teamwork among board members to maintain a healthy dynamic.

By following these best practices, your board can function effectively, stay aligned with the organization's mission, and ensure sustainable success.

# Governance & Administration: A Quick Guide

Understanding the distinct roles of governance (board) and administration (staff) is essential for an effective organization. The board focuses on strategy and oversight, while staff manages daily operations.

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## Governance: The Role of the Board

- **Big Picture Focus**
  - Responsible for setting the organization's mission, vision, and long-term strategic goals.
- **Key Responsibilities:**
  - **Strategic Planning:**
    - Define the organization's direction and approve strategic plans.
  - **Policy Setting:**
    - Establish policies that guide the organization's work and decision-making.
  - **Financial Oversight:**
    - Approve budgets, review financial statements, and ensure financial health.
  - **Hiring and Evaluating the Executive Director:**
    - Select and evaluate the performance of the executive director.
  - **Accountability and Legal Compliance:**
    - Ensure the organization follows legal requirements and operates ethically.
  - **Risk Management:**
    - Identify and mitigate potential risks to the organization's stability and reputation.
- **Key Focus Areas:**
  - Strategy
  - Oversight
  - Financial health
  - Long-term vision.

## Administration: The Role of Staff

- **Operational Focus:**
  - Staff are responsible for executing the board's vision and managing day-to-day operations.
- **Key Responsibilities:**
  - **Program Implementation:**
    - Design, implement, and manage the programs that fulfill the organization's mission.

- **Day-to-Day Management:**
  - Oversee staff, volunteers, and organizational resources to ensure smooth operations.
- **Financial Management:**
  - Manage finances, including bookkeeping, budgeting, and reporting to the board.
- **Policy Implementation:**
  - Carry out policies approved by the board, ensuring alignment with the strategic plan.
- **Reporting to the Board:**
  - Keep the board informed about the organization’s progress, challenges, and successes.
- **Resource Allocation:**
  - Manage the allocation of time, people, and money to meet operational needs.
- **Key Focus Areas:**
  - Operations
  - Program execution
  - Resource management
  - Reporting

## Key Distinctions

Governance (Board)	Administration (Staff)
Sets long-term strategy	Executes daily operations
Approves policies	Implements policies
Oversees financial leadership	Manages financial resources
Hires and oversees executive leadership	Oversees staff management
Focuses on big picture	Focuses on day-to-day-operations

Governance (the board) sets the overall direction and ensures accountability, while administration (staff) executes the board’s vision through daily management. Both roles are essential to the organization’s success, but maintaining clear boundaries is crucial for effective collaboration.

# Key Policies for Nonprofit Boards

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## 1. Conflict of interest policy

**Purpose:** Ensures board members act in the organization's best interest, preventing personal gain.

**Review/Update Frequency:** Annually or as new members join.

## 2. Code of conduct/ethics policy

**Purpose:** Establishes expected behavior for board members and staff, promoting integrity and transparency.

**Review/Update Frequency:** Every 2-3 years or as needed.

## 3. Document retention and destruction policy

**Purpose:** Outlines how long documents are kept and the procedure for their secure disposal.

**Review/Update Frequency:** Every 3-5 years or as laws change.

## 4. Financial management policy

**Purpose:** Ensures responsible handling of the organization's finances, including budgeting and reporting.

**Review/Update Frequency:** Annually or with changes in financial operations.

## 5. Fundraising policy

**Purpose:** Defines acceptable fundraising practices to ensure ethical standards and donor trust.

**Review/Update Frequency:** Every 2-3 years or as needed.

## **6. Investment policy**

**Purpose:** Governs how the organization manages and invests its financial assets.

**Review/Update Frequency:** Every 2-3 years or in response to market conditions.

## **7. Board recruitment and development policy**

**Purpose:** Guides how new board members are recruited, onboarded, and trained for effective governance.

**Review/Update Frequency:** Every 3-5 years or as board needs evolve.

## **8. Executive compensation policy**

**Purpose:** Establishes fair and transparent guidelines for compensating senior leadership.

**Review/Update Frequency:** Every 3-5 years or when leadership roles change.

## **9. Privacy policy**

**Purpose:** Protects the personal information of donors, clients, and staff, ensuring compliance with data protection laws.

**Review/Update Frequency:** Every 1-2 years or as privacy regulations change.

## Strategic planning and oversight

**Strategic planning** is very important for organizations as it **provides a clear roadmap** for achieving the mission, vision, and goals. It involves **setting long-term objectives, identifying the necessary resources,** and **outlining the steps needed** to achieve these objectives. The board of directors plays a crucial role in the strategic planning process and its oversight.

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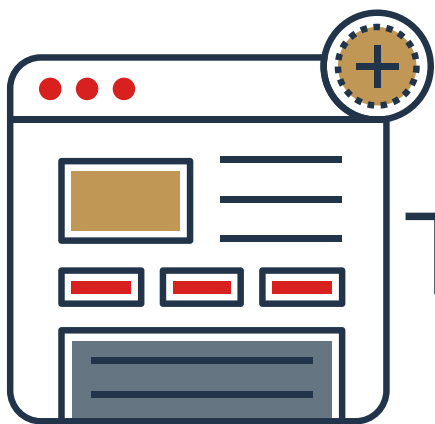
### Effective strategic planning helps an organization:

- **Align activities with mission:** A strategic plan helps an organization ensure all efforts and resources are directed towards fulfilling the organization's mission.
- **Prioritize resources:** A strategic plan helps an organization direct limited resources efficiently to areas that will have the most impact.
- **Adapt to changes:** A strategic plan helps an organization anticipate and respond to changes in the environment, such as funding shifts, policy changes, or community needs.
- **Measure success:** A strategic plan helps an organization establish benchmarks and ways to evaluate progress and make informed adjustments.

### Key responsibilities for boards include:

- **Setting the vision and mission:** The board ensures the organization's vision and mission are clearly defined and relevant, guiding the overall strategic direction.
- **Approving the strategic plan:** Board members collaborate with the executive director and staff to develop, review, and approve the strategic plan, ensuring it aligns with the organization's mission and values.
- **Monitoring implementation and adjusting as needed:** The board regularly monitors progress towards strategic goals, reviewing performance indicators and results to ensure the plan is being implemented effectively; it makes necessary adjustments in response to changing circumstances, ensuring the organization remains on track to achieve its goals.
- **Providing guidance and support:** Board members offer expertise, insights, and resources to support the executive director and staff in executing the strategic plan.

By being actively involved in strategic planning and oversight, the board helps steer the organization towards long-term success, sustainability, and greater impact in fulfilling its mission.



TEMPLATES

# Board of Directors Meeting Agenda Template

[Organization Name]

Date: [Insert Date]

Time: [Insert Time]

Location: [Insert Location or Virtual Meeting Link]

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## 1. Call to Order

- Chairperson: [Name]

## 2. Approval of Agenda

- Motion to approve the agenda as presented or amended

## 3. Approval of Previous Meeting Minutes

- Review and approve minutes from [Insert Date]

## 4. Reports

- Chairperson's Report
- Treasurer's Report (financial statements, budget updates)
- Executive Director's Report (operational updates, key developments)

## 5. Old Business

- Update on [Project/Issue Name]
- Follow-ups from last meeting

## 6. New Business

- Discussion of [New Topic or Proposal]
- Approval of [Policy, Plan, or Budget Item]

## 7. Committee Updates

- [Name of Committee]: Update and recommendations
- [Name of Committee]: Update and recommendations

## 8. Strategic Discussion or Planning Session (if applicable)

- [Key topic or focus area for discussion]

## 9. Varia

- Open floor for additional topics

## 10. Next Meeting

- Confirm date, time, and location of next meeting

## 11. Adjournment



# Board of Directors Meeting Minutes Template

[Organization Name]

Date: [Insert Date]

Time: [Insert Time]

Location: [Insert Location or Virtual Meeting Link]

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## 1. Call to Order

- Chairperson: [Name]
- Time Called to Order: [Insert Time]

## 2. Attendance

- Present: [List Board Members, Staff, Guests]
- Regrets: [List Absentees]

## 3. Approval of Agenda

- Motion: [Name] moved to approve the agenda as presented/amended.
- Seconded by: [Name]
- Outcome: Approved / Denied

## 4. Approval of Previous Meeting Minutes

- Motion: [Name] moved to approve the minutes of [Date].
- Seconded by: [Name]
- Outcome: Approved / Denied

## 5. Reports

- Chairperson's Report: [Summary of Report]
- Treasurer's Report: [Summary of financial updates, key points]
- Executive Director's Report: [Summary of operational updates]

## 6. Old Business

- [Item 1]: [Brief Summary of Discussion and Decisions]
- Outcome/Action Items: [List Responsible Parties and Deadlines]

## 7. New Business

- [Item 1]: [Brief Summary of Discussion and Decisions]
- Outcome/Action Items: [List Responsible Parties and Deadlines]

## 8. Committee Updates

- [Committee Name]: [Update Summary, Key Decisions]

9. **Strategic Discussion** (if applicable)

- Topic: [Brief Summary of Discussion]
- Outcome/Action Items: [List Responsible Parties and Deadlines]

10. **Varia**

- [Summary of any additional topics raised]

11. **Next Meeting**

- Date and Time: [Insert Date/Time]

12. **Adjournment**

- Time Adjourned: [Insert Time]
- Motion: [Name] moved to adjourn.

Prepared by:

[Name], [Title]

[Date]

Adopted on: [Date]

Board secretary signature: [Signature]

# Action Item Tracker Template

Action Item	Description /Details	Responsible Party	Deadline	Status	Notes
<i>Develop partnership proposal</i>	<i>Draft a proposal for potential new partner</i>	<i>Jane Doe</i>	<i>Dec 5, 2024</i>	<i>In Progress</i>	<i>First draft due Nov 28</i>
<i>Review financial statements</i>	<i>Verify Q3 financial data</i>	<i>Finance Committee</i>	<i>Nov 30, 2024</i>	<i>Pending</i>	<i>Requires auditor's input</i>
<i>Plan AGM logistics</i>	<i>Book venue, arrange catering, send invites</i>	<i>John Smith</i>	<i>Jan 15, 2025</i>	<i>Not started</i>	<i>Venue options under review</i>
<i>Update website content</i>	<i>Add new board member bios and event details</i>	<i>IT Team</i>	<i>Nov 25, 2024</i>	<i>Completed</i>	<i>Updated Nov 18, 2024</i>

This tracking format ensures clarity on tasks, roles, and progress, keeping board members accountable and organized.

## Calendar of Common Legal Obligations

Month	Obligation	Details
April	Start of Fiscal Year	Confirm priorities, finalize annual work plan, and ensure funding agreements are in place.
May	Prepare Annual Declaration for the Quebec Enterprise Register (REQ)	File the declaration to maintain the organization's active status. Deadline: between May 15 and November 15.
June	Annual General Meeting (AGM) is usually this month; can be another month if stipulated in an organization's by-laws.	Present audited financial statements, elect directors, and provide operational updates.
July	Review Organizational Policies	Update governance, conflict of interest, and operational policies as needed.
August	Mid-Year Financial Review	Assess financial performance and ensure alignment with the approved budget.
September	Strategic Plan Review	Evaluate progress on goals and adjust as necessary.
October	Prepare for Budget Planning	Initiate budgeting process for the next fiscal year.
November	Budget Approval	Finalize and approve the next fiscal year's budget.
December	Confirm Financial Audit Plan	Engage financial auditors (if required) and prepare for year-end review.
January	Review Insurance Coverage	Renew liability, property, or directors' and officers' insurance policies.
February	Prepare Year-End Financial Statements	Work with auditors or financial officers to ensure readiness for fiscal year-end.
March	End-of-Year Reporting	Submit required grant and funding reports, evaluate organizational performance, and finalize accounts.

This calendar structure aligns obligations with an April-to-March fiscal cycle, ensuring timely compliance and effective governance.

## Ongoing legal obligations

- **Tax Filing**
  - Submit GST/QST returns if registered for taxes.
- **Board Meetings**
  - Schedule regular meetings to review operations, compliance, and strategic priorities.
- **Grant Reporting**
  - Track and meet deadlines for reporting to funders throughout the year.
- **Minutes and Records**
  - Maintain accurate and up-to-date documentation of decisions and actions.

## CONTACT A MEMBER OF RDN'S TEAM

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**RDN**  
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