

Working Together

Appendix N

Building A New Organization

If your new Big Brothers Big Sisters program or Boys and Girls Club will exist as a stand-alone organization with its own board of directors, there are several important organizational structures you will have to put in place. Following are brief descriptions of some of the necessary elements of creating the new organization¹.

a. *Board of Directors*

The new organization that “houses” your program or club must be governed by a board of directors. The board of directors is the highest level of decision-making and authority in a non-profit organization. Its central role is one of oversight, leadership, direction, and policy setting. It is the board’s job to ensure the organization’s effectiveness, credibility and viability of the organization.

In practice, different non-profit boards will fulfill their role in different ways depending upon the kind and size of organization. Some boards, particularly those of larger or more mature organizations, usually limit themselves to setting and monitoring policies. It typically has an Executive Director or CEO who manages the implementation of policies by staff. Other boards, especially those of small, grassroots organizations, may need the board to be involved in day-to-day operations.

A non-profit board has a number of responsibilities in fulfilling its role. For instance, the board is responsible to: establish the organization’s vision and direction; ensure the organization’s financial health; ensure the organization has sufficient and appropriate human resources; direct organizational operations; ensure effective community relations; and, ensure succession planning.

One of your first steps in establishing the new organization is to comprise the board of directors. It should be made up of about five to twelve individuals who believe in the cause and are willing to dedicate their time, skill, connections and

¹ If you need more detailed information regarding these organizational necessities, have a look at Mentoring Canada’s on-line board training module at www.mentoringcanada.ca/training/Boards/index.html.

energy to getting the organization off the ground and governing it in the longer-term. It is important to seek board members who can provide a diverse range of experience, backgrounds, talents and perspectives.

b. *Bylaws*

The board of directors of the organization that oversees your program or club requires a set of rules and regulations - called the bylaws, charter or constitution - that governs its internal operations. They are the fundamental, enduring rules that guide the way the organization and board conducts business. The bylaws outline the organization's functions scope and purposes. They provide organization and continuity to such matters as the definition of who is included in the organization's membership, the composition of the board and how board meetings will be run. When disagreements arise on the board regarding the ways it conducts its internal affairs, the bylaws should provide the solution.

If you are starting a new organization, bylaws should be drafted soon after a board of directors is formed, as they are required in order to receive and maintain the organization's incorporation and charitable status. It is advisable to obtain legal advice to ensure your bylaws adequately cover all required subjects.

c. *Incorporation*

The organization overseeing the Big Brothers Big Sisters program or Boys and Girls Club must be incorporated under relevant Provincial Legislation. To become incorporated, it is necessary to apply to the Provincial government department that deals with corporate matters. Most Big Brothers Big Sisters programs and Boys and Girls Clubs are incorporated as societies. Incorporation as a society generally requires that you submit the organization's by-laws, objects, and the names, addresses and occupations of your board members, among other things.

If a new organization will be governing your program, your board should apply to incorporate the organization soon after the board is formed. It usually takes several months for the application to be processed by the relevant Provincial office. You may wish to have a lawyer assist you with this process.

d. *Status as a registered charity*

The organization governing the Big Sisters Big Brothers program or Boys and Girls Club should be a registered charity². A registered charity in Canada is an organization that has been granted exemption from paying income taxes and has been authorized to issue charitable receipts that the donor can claim as tax credits

² For detailed information on registered charities, go to Canada Revenue Agency at www.cra-adrc.gc.ca/tax/charities/menu-e.html

or deductions. In exchange for the benefits of charitable status, registered charities must comply with strict reporting obligations and other regulations. Canada Revenue Agency (CRA) is responsible for monitoring charities' compliance with these regulations.

CRA's Charitable Division is also responsible for determining which organizations are eligible for charitable status. An organization that wishes to become a registered charity must submit an application to CRA. The application must demonstrate that the organization fits within the classifications of charities, and that it meets certain criteria, such as being provincially incorporated or legally established by a governing document.

If you are starting a new organization, your board should apply for charitable status soon after the board is formed. It generally takes several months for the application to be processed by CRA. You may wish to have a lawyer assist you with this process.

e. Committees

Much of the work that your organization's board accomplishes is likely carried out by its committees. In general, committees are used to deal with issues that are too complex and/or numerous for the entire board to manage. Committees often function to make recommendations to the board, and to carry out special tasks delegated by the board. With "working boards" that are very hands-on, committees might even be expected to carry out some of the organization's day-to-day business.

Committees are generally formed around a particular function of the board or organization. The number and types of committees will vary from one organization to another, depending on the needs of the agency. The types of committees that commonly exist in Big Brothers Big Sisters and Boys and Girls Club organizations include: Executive Committee, Nominating Committee, Board Development Committee, Audit Committee, Finance Committee, Resource Development or Fundraising Committee, Personnel Committee, Program Committee, and the Public Relations or Marketing Committee. The membership of committees is usually made up of board members, as well as staff and other community volunteers who bring particular expertise.

When a new organization is being formed, the committees should be appointed as soon as the board is organized. The committees will then be able to accomplish much of the initial planning and implementation of the program plan, thus allowing the board to use its time most efficiently.

f. Mission Statement

A mission statement answers “Why are we here?” and “What outcomes do we hope to achieve?” In other words, it states the organization’s highest purpose or reason for being. The mission will be based on the core values that the organization holds. This becomes the guidepost for all plans, decisions and activities related to the program.

The written mission statement should succinctly say: Who the organization is; What it does; for Whom; and Where. It is also helpful to have clear, specific, measurable goals accompanying the mission statement, that indicate when the mission has been achieved. The goals are the outcomes, results or ends the organization will achieve, or the specific impacts it aims to have on those whom it serves.

g. Policies and Procedures

Your Big Brothers Big Sisters or Boys and Girls Club organization requires written policies and procedures to guide the decisions and actions of its board, staff, volunteers and clients. Your organization will require policies and procedures for many aspects of its operations, such as service delivery, personnel, fundraising, financial management and public relations.

Policies are broad rules that describe what to do. Procedures are more detailed rules that describe how to accomplish a policy. Policies and procedures should be clear, realistic and practical. Responsibility for these policies should be assigned. Policies and procedures should be in writing, and should be contained in a manual that is available to everyone whom these rules affect.

Policies and procedures should emerge as the organization begins to take shape, and generally should be in place within the first year.

h. National Standards and Membership Requirements

Big Brothers Big Sisters of Canada and Boys and Girls Club of Canada both require all member organizations to meet a set of Organizational Standards or Membership Requirements³. It is important to review these requirements to ensure that your organization is able to abide by them.

³ See Appendices I to L.