To Board or Not To Board . . .

Why Isn't That a Question?

Kathryn Ann Hill

Executive Director, Healthpartners–Partenairesanté, Ottawa

Formerly Associate Vice-President, United Way of Canada-Centraide Canada

McGill University, Montreal, Canada

March 2002 • Revised May 2005

Copyright 2002, 2005 by Kathryn Ann Hill

Contents

Abstract 4

Introduction 5

Two Short Stories 6

Literature Review 8

Nonprofit Organizations, Charities and the Law 16

Incorporation 18

Charities 19

Conversations 22

- Experience with Boards 23
- Recruitment 23
- Role Clarity 24
- Resource Commitments 24
- Determining Board Worth 25
- Alternative models 25
- Why Not? 26

Conclusion 27

References 33

Abstract

This paper questions whether or not the predominant governance model in the voluntary sector – the volunteer board of directors – is still effective in ensuring a good strategic plan, solid CEO performance and adequate management of resources in voluntary sector organizations. Most of Canada's 175,000 nonprofit organizations seem firmly to believe they are legally required to guarantee accountability through a formal board structure; and most attempts to call this board model into question are met with stiff resistance. Volunteer boards are about democracy, about building social capital; they increase civic engagement, and build communities. Yet there is plenty of evidence that the current volunteer board model is far from being ideal – as the extensive literature on voluntary sector governance, board effectiveness and board-staff relations shows. Reviewing the work of Pat Bradshaw, Tim Plumptree and others, the author questions why voluntary sector leaders are content merely to continue tinkering with the current board model, instead of focusing their energies and efforts on developing new forms of governance, and suggests that some altogether different governance model may be more appropriate for the voluntary sector

Introduction

This paper seeks to raise some questions about the governance model presently used in the voluntary sector: the volunteer board of directors. My purpose is not to present a conclusive argument either for or against the current model, but rather to call attention to the surprising lack of discussion about the nature and existence of the model itself. Although there are literally thousands of resources dedicated to the improvement of the model – Web sites, listservs, workshops, books and scholarly papers, all focused on how to make boards more effective – very few, if any, offer or even suggest a serious questioning of the volunteer board model, with a view towards exploring other potential models. All the time and energy focused on improving or "fixing" the model begs the question: what if it isn't fixable? What if we need to look at an alternative model, or at the very least start a conversation about alternative models of governance within the volunteer sector? It may be that having an external volunteer board of directors such as we find in the private sector is indeed the best, the most credible, the most accountable and transparent form of governance possible. If so, perhaps all the energy devoted to fixing volunteer boards would be better spent in improving personal performance. But how can we ever know if we do not try to imagine different, alternative, models? And why is asking this question viewed with such suspicion, and met with such resistance?

In an effort to explain this lack of interest in assessing the volunteer board model, I begin with a brief personal reflection on what first led me to this question. Next, I review some of the current literature about the volunteer board model and the history of the legislation that seems to require nonprofit organizations to adopt it. I then summarize a number conversations about board governance that I held with a cross-section of individuals in the voluntary sector, and comment upon alternate models, followed by some concluding remarks. But first I would like to address some of the terms used in this paper to describe the voluntary sector.

As far as possible, this paper follows the terminology of the 1999 report of the Panel on Accountability and Governance in the Voluntary Sector, *Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector*, also known as the Broadbent Report (PAGVS 1999). The voluntary sector has been challenged to find an adequate descriptor for itself. This is due in part to the vast size and diversity of organizations that it comprises. Churches, sports and recreation groups, hospitals, professional associations, social service delivery organizations – all are nonprofit organizations, and as such are all part of the nonprofit sector. It is estimated there are over 175,000 nonprofit organizations in Canada. Approximately 85,000 of these are registered charities, making up a smaller subset of the nonprofit sector, and this group also includes a diverse range of organizations. Outside of the official nonprofit sector, there are the multitude of organizations and associations that have not registered with any provincial or federal department. These include service clubs, neighbourhood associations, church groups, advocacy groups, and others. The broadest term that encompasses all organizations in the sector is "voluntary sector." Many of these organizations do have paid staff, ranging from one to hundreds of paid employees – competent individuals who find fulfilling, professional careers in the sector. Calling the sector voluntary is not intended to deny the existence of the paid workforce within the sector. Rather, the particular thing that all these organizations have in common is that they rely upon volunteers to fulfill governance functions, primarily through boards of directors. The Broadbent Report "selected the term to reflect the sector's essential spirit, not the nature of its labour force" (PAGVS 1999, 8).

Two Short Stories

About ten years ago, I joined the collective known as the Ottawa Rape Crisis Centre (ORCC). At this point in its history, the organization had rapidly moved from a state of chaos to crisis. With a small group of volunteers and paid staff, I led the organization through a restructuring process, moving from a collective model to a more traditional, essentially hierarchical, external volunteer board model. Through this process I learned a great deal about boards, governance and the impact of organizational structures. I became the Executive Director, and the organization thrived, growing from a staff of three and annual funding of approximately $80,000 to a staff of fourteen, with an annual budget of

$750,000 and capital assets worth over $750,000 as well. Because of our size (large for a grassroots women's organization) we began to support and mentor smaller women's groups.

One such group was called "PowerCamp" for girls, and we acted as a sponsoring organization for them, as they had not yet incorporated or registered as a charity. In their second year of operations, during a meeting with the founding leaders of PowerCamp, our conversation turned to organizational structures. They asked about incorporating and I strongly advised them against it. I found myself talking to them about the bureaucracy of boards – the attention, investment and support they required to be successful – and how bringing on an external board of directors would alter their organization. But the PowerCamp leaders wanted direct access to funders, authority to issue tax receipts, and above all, recognition as a mature organization, which they would not obtain as long as they were still sponsored by the ORCC. They decided to incorporate and apply for charitable status. Reflecting later on this conversation, I was genuinely surprised by my response to their question. As an Executive Director, and the paid staff person in the organization responsible to the board, I was obviously questioning the benefit and impact that a board of directors brings to an organization. The ORCC had an excellent board of directors, and my relationship with them was positive, so why the reservations?

Fast-forward four years: I am Vice-President of a national organization that provides support to 125 member organizations across the country. The disparities in size and capacity between our members is great – from organizations of close to 100 staff, to volunteer run organizations struggling to remain open six months of the year. Despite this disparity, all to varying degrees must deal with the challenge of governance, and building and maintaining effective volunteer boards. This challenge is not unique to our movement, but is endemic in the sector.

As part of my work, I had the opportunity to participate in the McGill-McConnell Master of Management Program. Our class has travelled to India for a first-hand look at the impact of globalization on the voluntary sector outside North America, and to exchange ideas and experiences with our Indian counterparts. I register for a workshop entitled "Impact of Globalization on Governance and Management of Voluntary Sector Organizations," co-facilitated by Janice Stein. I look forward to an exchange on

governance and related issues, especially on the heels of Professor Stein's recent work on what she has called "the cult of efficiency" (2002).

As the workshop begins, it becomes clear to me that the day is turning into yet another discussion on how to make boards more effective. I personally cannot imagine anything more exasperating! To have travelled all this distance, to have some truly great and innovative thinkers in the room, and to once again (having attended multiple workshops on this topic in Canada) talk about how to make boards more effective. So I wondered aloud (most probably inspired by frustration and a dash of lingering culture shock) what I soon discovered to be a highly unpopular question: "What if boards are as effective as they are going to be? I mean, what if it isn't that boards are ineffective, but that the model itself is? Maybe volunteer governance is not the answer." The reaction to my question was stronger than I would have imagined; questioning the principle of volunteer board governance is as politically incorrect as criticizing motherhood or apple pie. I was truly surprised by the vehemence of the responses to my comments, and the refusal by most to entertain it as a serious topic of discussion. "The *law* is clear." "You *have* to have a volunteer board." "This is how it *has* to be."

I still hear reactions like these. But the voluntary sector is the "activist sector," not typically known for accepting the status quo; so why is it so keen to defend the status quo on this issue? Professor Stein encouraged me to stick with the question, and it has led me to write this paper, in order to discover if others are asking this question, and if there is a body of research exploring it. And if not, why not?

Literature Review

There is an abundant literature on the subject of voluntary sector governance. The challenges of governance, transparency, accountability, and effectiveness are reviewed and addressed by academics, management consultants and individuals from the field. In Canada, three of our largest national organizations have Web sites offering resources and information in support of boards: United Way of Canada–Centraide Canada, the Canadian Centre for Philanthropy (which also operates a distinct information site at www.nonprofits.org) and Volunteer Canada. The Government of Canada has on-line

resources and information devoted to this topic at various Web sites, and a quick scan indicates that the governments of Ontario, Alberta and British Columbia do as well. In addition, there are literally hundreds of sites available from other nonprofits in Canada, the United States and Europe. Many publishers of works on the voluntary sector, such as Jossey-Bass and the Drucker Foundation, offer considerable information on their Web sites. In fact, a Google search on "Nonprofit Boards" yielded over a million hits; a "board effectiveness" search produced 1.7 million results, while "Nonprofit board effectiveness" narrowed the field to a little over 500,000 matches. The majority of the resources that I reviewed, beginning with those most commonly referenced in the field, did not address the question of alternative structures for voluntary sector governance. Rather, they contributed to the staggering amount of information, advice and resources dedicated to making boards more effective.

Pat Bradshaw and her colleagues provide an extensive review of the literature in a paper on nonprofit governance models. In their review, the authors suggest that the field of research surrounding nonprofit organizations has only recently developed, in the past fifteen years or so, and that it is very diverse, "with no consensus about a single or ideal model of governance" (Bradshaw et al. 2001). The authors separate the literature into two categories: *normative* literature, in which prescriptions are provided for the best governance structure; and *academic* literature, which is less prescriptive, and focuses on effectiveness and the characteristics and environmental factors that impede or aid effectiveness. For example, one school maintains that it is not the model, but the functions of governance that must be addressed to make a board effective. This suggests the model is secondary to the need to assure key functions of good governance. As long as these key functions are in place, the board will exercise good governance. Other perspectives reviewed are "interpretive" and "political." "Interpretive" refers to the role of the board as dynamic, in context and in relationship to the organization. The "political" literature addresses the power relations (and challenges to power) that exist between the board and staff, or between the board and other stakeholders. The authors conclude that the lack of consensus on models is healthy, as it allows for flexibility and adaptation to different organizations and structures. They present a categorization of the four existing models for governance, and through application of a contingency approach, develop a hybrid called the "Adaptive Equilibrium" model (ibid.).

The authors start with the assumption that diversity is healthy, and that the emergence of multiple models of governance is a sign of strength in the voluntary sector. The paper was based on research in support of development of a governance model for an emerging network. The authors state "While recognizing the minimum critical specifications for governance in Canada, which are primarily legal constraints, we then designed a governance model which we felt will best meet the needs of the organization" (ibid., 30). What if there were no minimum legal constraints – how would that have affected the model development? The authors speak of wanting to work "outside the box" of prescribed models. How fascinating it would be if they were able to work outside the box of legal constraints that seem to require the existence of a volunteer-based board of directors. These minimum specifications certainly act to limit or reduce the capacity to creatively explore different models of governance.

Vic Murray and his colleagues address power in and around nonprofit boards. Their research is relevant to this paper for two reasons. First, it is a good example of the type of discussion that focuses on a single aspect of the existing model – in this case the challenges surrounding power and authority between board and the senior employee (the CEO). Secondly, the authors point out the often neglected fact that board effectiveness is difficult to study or measure: "there is little agreement on what constitutes effectiveness" (Murray et al. 1992, 172). The authors go on to describe the measures of effectiveness that they used for the purposes of their research.

It is interesting that, in the absence of an agreed-upon method for measuring effectiveness, the literature continues to focus on improving effectiveness. Is it merely our desire to improve and innovate or is it a reflection of something seriously wrong with the model? And if we cannot articulate how effective a board is, outside of the subjective exercise of asking the board and staff whether *they* think they are effective, then we cannot articulate whether the model is effective. Many hold to the home truth "If it ain't broke, don't fix it." But how do we even know if it is broken or not? As such, resistance to discussing alternative models cannot be based on the effectiveness of the board model currently in place.

In 2001 the Institute on Governance released a report on governance structures and models in the Canadian voluntary sector (Gill 2001). The report was part of a larger

project looking at strengthening governance capacity in the voluntary sector. The report articulates lessons learned from twenty case studies of nonprofit organizations. It presents eight models of governance based on the review of the twenty organizations in the study. It describes a sector that has been heavily influenced by the Carver model of policy governance, without adequate capacity to implement this model. Gill states that while many boards embraced this alternate model, "At the same time, alternate governance models have not been readily accessible or well understood." The result is ineffective, confused boards. The report recommends the use of a "Governance Self-Assessment Checklist" by boards, and also identifies causes for major concern, including a list of signs that indicate a board (and hence the organization) is in trouble and a list of "keys to success." It highlights the lack of research regarding the links between ownership structure, accountability and governance practices (Gill 2001, 7). The report also focuses on the popularity and prescriptive nature of the Carver model, and supports previous assertions that the prescriptive notion of one style of governance is not useful or healthy for the sector (Burns 1997; Bradshaw et al. 2001; Murray et al. 2000; Robinson 2001; Plumptre 2002). Hence Gill's report sets out as one of its directives the search for "alternative governance models." It concludes with recommendations for the use of the tools presented in the paper and the need for development of other tools and resources to promote good governance – basically, a call for more resources focussing on increasing board effectiveness. Although the paper does describe some alternative models of nonprofits, all of these are volunteer-board led – even the collective model, which includes staff participation on the board (see Bradshaw 2000). Gill's research, then, does not look beyond the current framework of governance as constituted within the current legislation regarding nonprofits and charities in Canada.

> A Governance structure is defined here as a distinctive set or cluster of governance structures, responsibilities (functions) and processes (practices) that are logically consistent with one another. (Gill, 10)

Based on the definition above, it is possible that the search for alternative available models could also have included an examination of the model itself, or at least options beyond those presented, all based on volunteer boards of directors.

The structure that comes closest to challenging the board governance model is the collective. Within a collective, all members of the organization are considered equal;

staff, board members and volunteers all have equal power within the structure. Those collectives that need to comply with the regulations regarding incorporation will often have a "paper board" where the individuals named as president, vice-president and treasurer do not exercise those positions in their usual sense and in practice have no more authority or responsibility than any other member. While collectives received some focused energy and attention during the 1960s and 1970s (Houle 1989, 20), they make up a small minority of the organizations within the voluntary sector, and an even smaller percentage of those organizations that are incorporated or have charitable status. One similarity of the collective model with the traditional board is that governance involves volunteers, with additional authority often delegated to a steering committee (similar to an executive committee).

Tim Plumptre is particularly strong in his critique of the prescriptive Carver model. He suggests that most boards do not fully understand or utilize the model, despite the fact that Carver insists it is the "world's only complete model of governance" (Plumptre 2002, 3). Of the many articles that discuss the challenges and obstacles to effective board governance (Drucker 1990; Broadbent 1999; Bradshaw 2001; Gill 2001; Light 2001; Robinson 2001), Plumptre's is one of the most frank, with its list of barriers to good governance, which he calls "governance gremlins":

- Deadwood: directors who show up for meetings but seldom contribute anything
- Conflicts of interest or factionalism among board members
- Board members who don't understand their role, or who want to contribute more but don't know how
- Excessive CEO ownership (board irrelevance)
- Directors reluctant to help with fundraising
- Poor communication with important stakeholders
- Interference in management, either by board members or over-zealous funders
- Inadequately prepared, unproductive board meetings

Once again, this raises the question of why we are not examining the model itself. Don't Plumptre's examples of governance gremlins (by no means a complete list) suggest the need for an analysis of whether it is the board structure that contributes to these challenges, and not the individual or the individual organization?

Mark Light's work is similar to Carver's in that it prescribes a single model for boards to follow. The model that Light has developed, called "the strategic board," includes four elements of good governance: a Leadership Plan, a Delegation Plan, a Management Plan and a Vigilance Plan. Like Carver's board, the strategic board must follow a set of rules for each element. Like Carver, Light does not endorse a school of thought that suggests that multiple, flexible board models are the solution, yet he too has drawn up his own extensive list of reasons for board ineffectiveness – the "seven realities" of boards. He believes the potential for good governance exists, but he just hasn't seen it. Reasons he gives that are different from some of those already listed include:

1. *Lack of time.* Boards meet on average 8 or 9 times per year. What can they realistically expect to achieve?

2. *Imperfect knowledge.* The board must depend upon (follow) the knowledge of the senior executive, while leading the organization – a paradox that is difficult to resolve.

3. *Size***.** Most boards are too large and unwieldy.

4. *Haphazard composition.* Board members are chosen for reasons that have little to do with governance.

5. *Few consequences for members' actions.*

6. *Lack of continuity* of voice due to sporadic attendance, rotating terms, forced retirement of good board members.

7. *Lack of experienced Executive Directors*. Usually the full time professional executive directors from whom the board needs support and guidance are themselves first time executives with five or fewer years of tenure.

Light (2001, 9), quotes Chaitt, Holland and Taylor: "After 10 years of research and dozens of engagements as consultants to nonprofit boards, we have reached a rather stark conclusion: Effective governance by a board of trustees is a relatively rare and unnatural act." Nonprofit guru Peter F. Drucker is equally skeptical. Witness his often-quoted dictum: "There is one thing all boards have in common – they do not function."

With friends like these, who needs enemies? A cliché, perhaps. But with such damning comments, it is fascinating to watch the author then forge ahead, presenting yet another model to save boards, within the same framework.

In 1997 a panel was appointed by the Voluntary Sector Roundtable, a group of national voluntary sector organizations, to address the growing tide of concerns about Canada's dramatically changing nonprofit sector environment. Chaired by former New Democratic Party leader Ed Broadbent, the Panel on Accountability and Governance in the Voluntary Sector held consultations across Canada and received submissions from hundreds of organizations. In its report, the panel proposed a "code of good governance which would require an organization's board of directors to take active responsibility for eight key tasks (PAGVS 1999, iv):

- "ensuring the board understands its responsibilities and avoids conflicts of interest;
- "undertaking strategic planning aimed at carrying out the mission;
- "being transparent, including communicating to members, stakeholders and the public, and responding appropriately to requests for information;
- "developing appropriate structures for the organization;
- "maintaining fiscal responsibility;
- "ensuring that an effective management team is in place and providing oversight of human resources;
- "implementing assessment and control systems; and
- "planning for the succession and diversity of the board."

In its discussion on stewardship, the Broadbent Report states that no one model can be legislated or prescribed because every organization is unique. The Broadbent Report also recommended outcome evaluation as a practice for the sector to adopt; a fundraising code of ethics; legislative changes on charitable designation; access to the federal tax system; changes in financial management practices; and legislative changes to the legal framework of incorporation. Yet there is no mention or suggestion in the report that the sector should look beyond the existing legal framework to consider what alternative models might exist.

The Broadbent Report led to the Voluntary Sector Initiative, a joint project of the federal Voluntary Sector Task Force and the Voluntary Sector Roundtable, which together published a report entitled *Working Together: A Government of Canada/Voluntary Sector Joint Initiative* (1999). It had three Joint Tables looking at capacity building, strengthening relationships, and improving the regulatory framework. From this report came the second phase of the Voluntary Sector Initiative, with another round of seven tables as well as consultations. As of August 2002 the VSI Joint Tables have published an interim report on "Improving the Regulatory Environment for the Charitable Sector" (the final report is due in March 2003). None of the Joint Tables, however – not even those focused on governance and regulatory frameworks – appears to have shown any interest in questioning the current model of volunteer board governance – which is surprising when one considers the critical picture being painted by many of the experts in the field.

Mary Robinson begins her book about increasing board effectiveness by asking "which is more important to an organization, an executive director or a board?" (2001, 5) She then highlights all the reasons that one would choose the executive director over the board, but follows this with a discussion of the value of a board, as her work is based on the premise that when a board understands its value, effectiveness will increase (ibid., 7):

> The question of value – and linked to it, relevance – must be addressed before any serious discussions can take place about how to make boards more useful or effective. Unless we are persuaded that boards are valuable, and define that value carefully so that it meets the needs of a wide array of organizations that populate the nonprofit community, the process of making boards better is an empty exercise.

What is most interesting about Robinson's work is that she explicitly raises the question of whether boards have value. Unfortunately, it is phrased as a polemical choice – either

the executive director or the board; but at least it asks the reader to consider, for a brief moment, an alternative to the current model.

Although this paper focuses on the nonprofit sector, two recent articles about for-profit sector boards are interesting because of the similarity to the literature regarding nonprofit boards.

Jeffrey Sonnenfield (2002) examines the fall of the corporate giants Enron, Tyco and WorldCom by assessing their boards. He determines that these boards followed many of the rules that ought to make for good corporate boards; hence prescriptive rules or models are not the answer. His solution is that "we need to consider not only how we structure the work of a board, but also how we manage the social system that a board actually is" (Sonnenfeld 2002, 106). Effective boards cannot be legislated but rather are built by creating a climate of trust and candour, fostering a culture of open dissent, utilizing a fluid portfolio of roles, ensuring individual accountability, and evaluating the board's performance.

An October 2002 article by Louis Lavelle in *Business Week* (which for the past six years has been reviewing governance issues and publishing lists of good and bad boards in the corporate sector) presents a somewhat different analysis of recent corporate scandals. It does not support the notion that Enron, Tyco and others had strong boards; rather it suggests that board members were derelict in their duties, and that the corporations did not attempt to create or particularly care about having effective boards. As for what ails corporate boards, the article's list of shortcomings is quite similar to many of the lists found in the nonprofit literature. And though *Business Week* offers up its list of recommendations for good governance, faced with evidence of a broken model, the solution is to fix, refine, "get it right" – rather than call for a reflection on board structure itself.

Nonprofit Organizations, Charities and the Law

At a recent meeting of senior leaders of voluntary sector organizations, participants were discussing current challenges in the face of decreasing funding support for core operating

costs. Among these are the costs associated with supporting a board of directors. At least one participant commented on the time and resources spent recruiting, training and supporting board members. Built into the model's design was regular annual turnover, with brand new board members every year. What was more, the participant claimed, they had no choice about having boards of this sort: "Government requires it, it's the law."

One of the most commonly cited reasons for the existence of boards, both in the literature and within the sector, is that they are required by law. In conversations about why we do not challenge the model, the standard response is that the question is not worth addressing, as the law insists that to be a nonprofit, registered charity, an organization must have a board of directors in place. Upon further investigation, I discovered that many people (myself included) were not too certain which laws required an organization to have a board, and the origins of this law. What I discovered was a great deal of current commentary on the legislation regarding charities, and some literature focusing on the procedures regarding incorporation, but very little in the voluntary sector literature regarding the history of the Canada Corporations Act. It is this act that sets out the requirements for incorporation.

Much of the literature consulted characterizes the laws as unclear and confusing, leaving the sector without common and comprehensive definitions of charitable or nonprofit organizations or activity.

According to Laird Hunter (1998), "charitable" and "nonprofit" are two distinct categories of organization, although they share many characteristics. They are both nonprofit and direct their resources to furthering their objects. However, a nonprofit organization does not automatically have the right to be registered under the Income Tax Act with Canadian Customs and Revenue Agency (CCRA) as a registered charity. Nonprofits cannot issue receipts for charitable donations; only registered charities are permitted to do this. On the other hand, a "charity" is not *required* to register with CCRA, though it can issue tax receipts only if it is approved as a registered charity by CCRA (Miller Thomson 2001). Both nonprofits and charities are exempt from payment of tax on income, and in some provinces they are not required to pay tax on property. Registered charities are also eligible for a rebate of 50 percent on the Goods and Services

Tax (GST). None of these points, however, relate to governance structures. To discover the legal basis of nonprofit board structures, we must look elsewhere.

Incorporation

Under the Constitution Act of 1867, the regulation of charities is a matter that is expressly reserved to the provinces (Monahan and Roth, 2000, 7). Thus, the regulation of the voluntary sector in Canada is primarily a matter of provincial jurisdiction, with the federal role being limited to the granting of tax credit status under the Income Tax Act (ITA). Among provinces, there are various disparities regarding how charities are treated. In addressing the problems of nonprofit organizational law, the Broadbent Report highlights the fact that most laws governing incorporation are flawed and outdated (Broadbent Report 1999, 73). Ontario, Saskatchewan, Quebec and British Columbia have undertaken extensive reviews and implemented reforms; the other provinces rely on the federal legislation.

The Broadbent Report (PAGVS 1999, 73) highlights the three forms that a voluntary organization might take:

- Unincorporated association, in which members are bound by an agreed upon contractual obligation, cannot own property and have no protection against legal liability
- Charitable trust, a form governed by complex centuries-old legislation, and seldom used today
- Nonprofit corporation, in which an organization is incorporated under a provincial act, or under the Canada Corporations Act for national organizations (this creates a legal entity that owns the organization, and is protected from liability to some extent)

While there are differences among the provinces, the following list (Ministry of Consumer and Commercial Relations, 1989) outlines the basic features and attributes of nonprofit corporations:

- A nonprofit corporation is an artificial entity that has an existence separate from that of its members (i.e., owns property, enters into contracts).

- A nonprofit corporation is governed by a board of directors, who are elected by its members. These directors cannot "own" the corporation, or any assets of the corporation. It affords limited protection from liability to its directors; a minimum of three directors is required.

- It must follow all applicable statutes governing corporations (constitution, bylaws, regular meetings, etc.).

- Upon successful completion of an application for nonprofit incorporation, Letters Patent will be issued (these become important when seeking charitable status).

The majority of voluntary sector organizations choose to incorporate, primarily because it affords some protection from liability, provides tax exemptions, and is frequently a requirement to receive funding, since charitable status confers a certain degree of accountability on the organization. Furthermore, there is the perception that to obtain charitable status, and with it the capacity to issue official receipts for donations, organizations must be incorporated. Application for charitable status, however, has two different requirements: (1) a list of directors or trustees of the organization, and (2) a certified copy of its Letters Patent (which would indicate the need to be incorporated) or, in the case of a trust or unincorporated charity, a copy of its governing document. This suggests that to achieve charitable status, an organization does *not* have to incorporate, and hence is not legally required to adopt the structure of a volunteer board to operate. Although I am not a legal expert on charities and nonprofits, I think this could be an avenue that bears further investigation.

Charities

Although charities are under provincial jurisdiction, Parliament has jurisdiction over charities in the area of taxation, and accordingly the federal government may regulate nonprofit organizations for tax purposes. This power and regulatory function is exercised

under the Income Tax Act (ITA), and as such, falls under the jurisdiction of the Canada Customs and Revenue Agency (CCRA). Charitable status is sought primarily for the preferential tax treatment awarded to charitable organizations (Monahan and Roth 2000).

The ITA does not clearly define a charity; instead CCRA awards charitable status based on common law, which has recently been critiqued as out of date (PAGVS 1999), though defended by others as adequate (Monahan and Roth 2000). Charitable law in England dates back to the *Statute of Elizabeth* (1601). However, the case law that sets out the parameters for charities was further defined in a case before House of Lords referred to as *Pemsel* (1891). *Pemsel* clarified and expanded the concept of charities by stating four charitable purposes, which are still recognized today:

1. Relief of poverty
2. Advancement of education
3. Advancement of religion
4. Other purposes that have been found to be of benefit to the public and which have been found by the courts to be charitable (Kidd and Wyatt 2002)

Nonetheless, considerable confusion has arisen as to the differences between “activities” and “purposes” in assessing whether an organization is charitable in character. The Broadbent Report indicates three main areas of concern:

1. The interpretation of what constitutes a charity is unclear and inconsistent; in addition, the legal notion of what constitutes a charity has not kept up with public perception.
2. Relying on case law and the courts to determine what is a charity puts the onus and the cost of obtaining a definition of charity on the organization denied charitable status; this denied status can only be appealed to the Federal Court and to the Supreme Court, a costly and lengthy process.

3. There is a lack of transparency regarding the process of registration. Under the ITA, individual fiscal matters are deemed to be private, thus applications and rationale for decisions are confidential.

Monahan and Roth (2000) concur with the assessment that reforms are required:

> [There] are major shortcomings with the current regulatory framework governing charities at the federal level. Discussions of the CCRA are shrouded in secrecy and are *de facto* unreviewable. Significant reforms are necessary in order to make the process more transparent and to enhance public accountability of both the government and the sector itself.

Recommendations for changes, specifically a process that will lead to the establishment of a legal definition of charity, are found in the Broadbent Report, which also describes the Incorporations Act as out of date and in need of revision. The report recommends that provinces coordinate with the Federal government and adopt the same definitions and processes if possible, and that a Voluntary Sector Commission be created which would decide which organizations qualify for charitable status.

In the literature I reviewed on obtaining charitable status, *there is no mention that the ITA requires an organization to have a board of directors*. One could argue it could be reasonably assumed that to become a registered charity, a group should first be registered as an incorporated nonprofit organization. But this does not seem to be the case. As we saw earlier, Letters Patent (proof of incorporation) are not a prerequisite; nor is a formal board of directors. All that is required by CCRA is a description of the governance structure.

There is a belief among the general public that CCRA provides a regulatory function – that it is a watchdog over charities. The public has greater trust in the nonprofit organization that can issue a tax receipt.

> In an increasingly cynical culture, it is worth appreciating how much trust resides in nonprofits. Trust is what allows a typical citizen without a moment's hesitation to contribute a toy at the holidays, canned goods at Thanksgiving, and a regular payroll deduction during a workplace drive. . . . This day-to-day, garden-variety trust is essential to the sector; without it we are sunk. (Robinson 2001, 8)

Nonprofits believe this trust is generated and enhanced through the status derived from being a designated charitable organization, and in those organizations where the founding members are long departed, a firm belief appears to exist that to maintain charitable status a board of directors is required.

While there are clear benefits to incorporating and registering as a charity, it is interesting to note that there may be an opening to think about alternate models or structures when considering governance. Much of the attention of the voluntary sector, due in large part to the influence of the Broadbent Report, focuses on CCRA and the ITA; less attention has been given to the regulations and requirements surrounding incorporation. Broadbent does give it mention, recommending that a new nonprofit corporation bill be passed through Parliament. The goal of such a bill would be to modernize the law and to create a national Voluntary Sector Commission, with broad powers to decide and award charitable status, and to shut down undeserving organizations. The report also recommends that the provinces be required to pass legislation that would be consistent with the federal legislation. Interestingly, in all the calls for examination and reform, none suggest a review of the current accepted governance structure of volunteer boards of directors. It is not mentioned in any of the law reform documents, nor is it in the Broadbent Report or any of the reports that follow as a result of the work of the Voluntary Sector Roundtable, or the Joint Table Reports of the Voluntary Sector Initiative. Once again, there is an absence of curiosity on the topic of alternate structures.

Conversations

Whenever I have raised the idea of looking at an alternate governance structures with individuals in the voluntary sector, I have encountered two sorts of equally passionate responses. One is incredulity that I would even consider such a line of questioning. This response is especially prevalent among volunteers and board members, who take the proposal as implied criticism. The other (less frequent) response is enthusiasm and genuine interest in why the question is not raised more often.

To better understand what people were thinking about boards, I engaged in conversations (rather than "interviews") with five individuals: presidents, executive directors and volunteer board members. As some participants did not wish to be identified, I have grouped their responses by conversation topic.

Experience with Boards

Most of the participants had direct, long-term experience with boards of directors. Three had over twenty years' experience, two had over ten years' experience. One described his role as executive director as that of "shepherding" the board of his organization:

> Boards require a great deal of attention to allow them to do a good job. If you ignore them, it is at your peril. As Executive Director, to have a board that functions well you have to pay attention to recruitment, training, provide them with good information, groom future leaders, etc. It is a fine balance between not enough support and too much.
>
> Also a fine balance for the board to understand their role, to advise and govern without getting caught up in the minutiae.

The other participants had similar comments about their roles. They spoke of the challenge of having to simultaneously support and lead the board.

Recruitment

One of the most important criteria for success was recruitment. All participants commented on the necessity for sophisticated, strategic thinkers as board members. The success of the board model depended upon it, whether its focus is operations or policy. One commented:

> In the business world, we believe that when you have the right people, structure doesn't matter, you will achieve success. The challenge for many boards in the voluntary sector is that they do not have the right people for the job: we have well-intentioned, good people, but not the right people.

One of the key roles of staff responsible for the board was to ensure that recruitment leads to strong board members. "Simply warm bodies filling up a seat" were not welcome. As well, several commented on the sector's habit of recruiting "names" or community leaders to boards, whose contribution was then negligible, perhaps due to lack of clarity regarding their role. Many excellent community leaders seem unable to exercise their leadership capacity within a board context.

Role Clarity

Role clarity was also commented upon as critical to success with this model. Board members need to understand their purpose, be aware of the skills they have been recruited for, and utilize those skills to the advantage of the organization. One executive spoke of a recruitment philosophy that included a deliberate strategy to complement the skills of the president. For example, if the senior executive had less experience in the area of fundraising, then it was imperative that this strength be recruited onto the board, in order to build a strong senior leadership team that included both board and staff.

Another spoke of the need for increasingly sophisticated board members. "Often boards have no clue how to manage sophisticated organizations; or provide strategic leadership to them. The senior executive is the expert, and she requires an expert reference group around her. This expertise is hard to find."

Resource Commitments

The estimated amount of individual senior leadership time devoted to the maintenance of the board ranged from a low of 10 percent (one participant) to estimates of 20 to 30 percent for most. This struck me as a great deal of time, especially when we consider the limited resources of nonprofit organizations. One participant, who is a senior leader in the corporate sector and sits on both nonprofit and corporate boards, was astounded by this estimate. In his experience, nowhere near this amount of time dedicated to board maintenance is needed in the corporate sector.

Determining Board Worth

The amount of time dedicated to the board of course led to the question: "Are they worth it?" If a cost-benefit analysis were applied, what would be the result? The majority of participants were adamant that boards were worth it. In fact, they would not even consider the question – their belief in boards and their value was absolute.

> "Charitable organizations need to demonstrate integrity – an external volunteer board can provide this function."

> "When I look at how the organization has grown, the storms our organization has weathered over the past ten years and come out stronger, it all has to do with a good, strong board."

The one dissenting voice was not sure what the result would be of applying a cost-benefit analysis:

> Boards do close the circle between community and those running an organization. Applying a cost-benefit analysis would be interesting exercise; yet is difficult to do in the absence of any other model to compare it with.

Alternative models

No one that I spoke with had read any material or participated in a conversation about an alternative model of governance. I asked what they would build if there were no rules: if they could build the best organization, what governance structure would it have? Of course, in the scope of a single conversation, it is unfair to ask someone to design a new model, but I was curious to see what the response would be. Two participants were certain that they would build the exact same model: that volunteer boards bring exceptional value to the organization, including accountability to the community, civic engagement, and integrity. One participant questioned how you could balance the power of staff without a board, because without the continuous presence of an external board, she felt that senior staff would have unlimited power. How would an executive who was not performing or abusing power be handled? Who would bring the community voice to the organization?

The other participants entertained the notion, and presented some ideas. Two felt that one would have to begin by articulating the board's role and then determine what else could fulfill that role. For example, if the board's role is to ensure (1) a good strategic plan, (2) a solid performance from CEO and (3) that resources are adequately and properly managed, what other structures would allow you to fulfill this mandate? The new model would have to replace these functions – perhaps with groups of professionals, who would be paid to perform these separate functions, based on distinct areas of expertise. To be cost-effective, these teams could perform these functions for multiple organizations. One specific example could be the performance appraisal of the CEO: human resources experts would conduct performance appraisals of multiple CEOs from diverse organizations.

Another participant suggested that citizen panels could be established, and they would have responsibility for a number of different organizations, providing strategic guidance on a regular basis.

> One of the problems with Broadbent and all the subsequent research and reports is that they look at charities as separate, independent entities – they did not look at them as a collective system. They did not investigate how to integrate work in organizations in a systematic way. For example, what about creating some kind of central community board, which would respond to groups of charities, clustered in logical ways. This would result in a dramatic shift – more than just single groups of people looking at single sets of issues for one organization.

Why Not?

We ended our conversations with my asking them why, in their experience, in a sector that typically questions everything, has the question of alternate forms of governance not been addressed. One spoke about the conditions that create change. Change does not happen until something is totally broken, and the model is not broken; it may need some adjusting and fine-tuning, and board members need to take their responsibilities more seriously, but the problems are related to the people, not the structure.

Another participant said that the question had started him thinking about how much time it would free up to focus on other issues. How could volunteers be better used for the good of the community?

Comments were also made about the sacrosanct nature of boards – no point questioning them really, we all know they are a fact of life, sometimes great, sometimes flawed, but to suggest alternate structures is a fruitless exercise.

Overall, the participants characterized their experience with boards as positive, commenting on the exceptional value that boards bring to their organizations.

Conclusion

The goal of this paper has been to explore whether others share my wish for a closer look at, a re-examination of, the current nonprofit sector governance model. It would appear that very few if any researchers or governance experts do. The concluding section of this paper speculates about why this might be so.

The most obvious answer is that there is no merit in investigating alternatives to the current model, which is seen as the ultimate governance structure; as such, it only requires a little tinkering, but otherwise it is the best that can be or will ever be designed. In *Governing Boards* (1989), Cyril O. Houle (1989, 1) quotes Robert K. Greenleaf's fervent endorsement of the structure:

> There is no other way that as few people can raise the quality of the whole American society as far and as fast as can trustees and directors of our voluntary institutions, using the strength they now have in the positions they now hold.

Reading these words, it is easy to see why there is such passion attached to the contributions that volunteers, in the governance roles, contribute to society – and why it seems inappropriate to challenge the construct. Questioning the structure can be interpreted as an anti-volunteer, anti-board sentiment. But there is no reason the other possibilities would not include the participation of volunteers in some shape or form,

perhaps enhanced, perhaps reduced. Surely, if the prevailing board structure is inherently strong, it can withstand a discussion of alternatives.

When we consider how democratic western societies are structured, we see the prevalence of boards in all aspects of daily life. Our hospitals, schools, associations, places of employment – all are governed by some form of board. Houle describes the structure – a tripartite system – as occurring naturally and universally. He sees the relationship between staff, board and client /consumer as presenting a perfect synergy.

> A board is far from a simple social mechanism, and nobody outside it can ever fully understand its complexities and its involvements with executives and staff. Inherent in its very nature are several seeming contradictions; delicate balances must constantly be achieved if it is to succeed. One might say that boards would never be invented if one did not know that, in many fields and at many different times, they have been invented afresh. They might seem unworkable, were it not for the fact that they are at work everywhere. (Houle 1989, 23)

For those who agree with Houle, a professor of Education Emeritus at University of Chicago who has served on over thirty boards, and who, as a senior program consultant for the Kellogg Foundation, researched and advised on boards and governance for over forty years, it is easy to see why there is no need to examine or review this perfect, naturally occurring structure.

Perhaps the strong commitment to the model within the voluntary sector has to do with the genesis of nonprofit organizations. Most begin with a group of concerned citizens who have identified a problem or are facing a challenge. Through the process of strategizing around their identified issue, they are engaging one another, engaging with their community, moving forward on issues as a group of concerned citizens. If they eventually grow to the point where they formalize their group through incorporation, then the volunteer board model must feel very comfortable; it mirrors the ways in which they have already been responding to their community. There is also, to some extent, a shared psychology among individuals drawn to this work; for the most part, these volunteers are people who believe in collective problem solving to make decisions. They believe that consultation and debate will bring about decision making, and thus organizational stewardship, with integrity.

Another strong rationale for maintaining external volunteer boards is that this model brings with it accountability, "the requirement to explain or accept responsibility for carrying out an assigned mandate in light of agreed upon expectations" (Broadbent Report 1999, 11). For some members of the community, charities and their fundraising activities are viewed with distrust. It adds credibility and integrity to the organization when there is an external group, with no potential for personal benefit, overseeing the operations of charities. Of course, accountability is only present if the board exercises its duties diligently and responsibly. But this is sometimes not the case.

There is a definite chill in the voluntary sector when it comes to discussing accountability. The Broadbent Report goes to great lengths to demonstrate that accountability already exists in the sector and simply needs enhancing, a position that does not invite second-guessing of the model. It is worth noting that the Broadbent mandate was determined and informed by a group of the largest national voluntary sector organizations, all of which had structural interests to protect.

In *The Cult of Efficiency* (2001), Janice Stein cites as an example of lack of accountability a case of a newborn infant who died of starvation while living with his mother in a shelter run by the Catholic Children's Aid Society of Toronto (CAS), a nonprofit registered charity. The inquest concluded that the death was a homicide, but that no one was responsible. Although measures were put in place to prevent such a tragedy from ever happening again, Stein points out that no one ever accepted responsibility for the baby's death – not the mother, the social workers, the CAS staff or board, or the provincial funder. There was no accountability.

"Intuitively," Stein writes, "people sensed that the absence of accountability, the failure to accept responsibility, is corrosive of private life and public institutions" (2001, 138). The CAS board might not have been able to prevent the death directly; but they could have acted responsibly by acknowledging accountability, out of a moral if not a legal obligation. Unfortunately, one of the difficulties of the volunteer board model is that as volunteers on the board come to identify themselves with the organization, they will have a tendency to stifle their critical voices and rally to protect the organization and (potentially) their fellow board members from liability.

Perhaps a more respectable reason for the protectionism around the volunteer board model is that it represents one of the last opportunities to engage directly in democracy. Stein (2001, 142) describes the need in a representative democracy for people to feel engaged and to hold their institutions accountable. The decline of "social capital" in the United States was a cause for great concern a few years ago. Governments and the voluntary sector have recently been preoccupied with ideas of citizen engagement and the principle of social inclusion. The voluntary sector's governance model provides a mechanism to address these concerns. "Beyond the number of volunteers and causes served, it is important to recognize what this participation and pluralism mean to the kind of society we are – when volunteerism is vigorous, the country is vigorous"(O'Connell 1993, 6).

When I asked a colleague why some people seemed personally offended by the notion of dismantling the current board governance structure, she answered that in critiquing the board structure concept, she perceived me to be critiquing the democratic process; for her the two were inextricably linked. The way we have designed governance is based on our belief and commitment to democratic process. I believe this is an accurate reflection. When I consider the role of the voluntary sector in other historically less democratic societies (e.g. Brazil), I know that the voluntary sector is desperately struggling to build a model similar to the North American model. Why? Because they see our model as an example of democratic processes in action. Their voluntary sector has traditionally had boards of directors that were/still are rife with corruption, patronage appointments and little connection to the values of the constituencies they were supposed to represent.

Robinson (2001, 9) sees boards as operating with the public trust in mind. She also describes them as structures that support the emergence of democracy, and the removal of government interference from citizens' lives.

> If one purpose of these burgeoning sectors (nonprofit) is to limit the government's role in community and daily life by creating independent alternative organizations in its stead, then the sector must find ways to regulate itself that minimize the opportunity for government interference and control . . . a delicate balance to achieve . . . the freedom to pursue an independent agenda that inspires public support and trust.

Houle (1989, 7) sees boards as key components of democratic life, helping to keep society vibrant.

> Each board's power is also reinforced by the willingness of society to accept the idea that boards are essential if decision making is to be decentralized and the belief that goals will best be met if they are the immediate concern of a carefully chosen group of responsible citizens.

Later on in his book Houle (1989, 183) speaks of volunteer boards as embodying the very essence of democracy.

> There is much talk of a social power structure, and boards are clearly a part of the pattern of organized authority. . . . They represent diversity and variety and are the chief means by which private citizens learn how to carry the burdens of governance. Boards do not talk much about democracy. They do not need to do so. They are living proof of it.

In this view, boards are about democracy, about building social capital; they increase civic engagement, and build communities. They allow citizens who are feeling more and more isolated and excluded from democratic processes the opportunity to engage in democracy. With this context in mind, it is easy to see why the notion of challenging the model is taken as a denial of the values and principles held sacred in western democracies. Yet at another level, this protectionism prevents us from looking critically at one of the most pervasive social structures in our society.

Interestingly, two of the authors who had the some of the strongest views about boards as symbols and living expressions of democracy also comment on the lack of research into the model itself. Robinson (2001, 6) describes the lack of commentary in this area:

> The idea of alternatives to the current structure of nonprofit organizations and their governance is frequently raised but rarely burdened by examples or models that lend themselves to replication. In fact most of the rhetoric about alternatives is more political or philosophical than practical. It is more a critique of style than structure. The prevailing attention is focussed on how to improve what is already in place – how to make it less rigid and more sympathetic to different approaches to authority and decision making – not on how to overthrow it. . . . Most of the attention is focussed on reform rather than revolution.

Houle (1989, 22) also bemoans this lack of intellectual curiosity about boards. It appears that academics – the disciplined students of society, whose general task it is to discern the principles by which people live or to examine basic social institutions – have been singularly blind to the existence of boards. Very few, as yet, have begun to look at the

structure of boards, not in an attempt to tinker with the model, but as part of a complete examination and restructuring. Just imagine if we took away all the laws, acts, rules, requirements, what would some of our best thinkers build? What kind of organizational governance structure would best allow us to achieve our goals and maintain accountability and integrity and transparency? Would it include volunteers? Paid staff? Professional teams serving multiple organizations? The model and structure can only benefit from engaging in a process where we challenge ourselves with the question: What structure would we create to effectively govern our organizations? I believe all these questions have merit. If nothing else, the examination will confirm the strength of the current model, and support the need to keep on tinkering and refining the existing structure, constantly striving to build more effective boards.

References

Burns, Michael (1997). Board structures should reflect the organization. *Canadian Fundraiser* (July).

Bourgeois, Donald J. (2002). *The law of charitable and nonprofit organizations.* Toronto: Butterworths Canada Ltd.

Bradshaw, Pat (2000). Reframing board-staff relations: Exploring the governance function using a storytelling metaphor. Paper presented at Change, Innovation and Continuity In Nonprofit Governance Conference, University of Kansas, Lawrence, KS (April).

Bradshaw, Pat et al. (2001). Nonprofit governance models: problems and prospects. Paper Presented at the ARNOVA Conference, Seattle, WA (July).

CCRA (2003). Future directions for the Canada Customs and Revenue Agency – Charities. Ottawa: Canada Customs and Revenue Agency (January). http://www.ccra.gc.ca.

Carver, John (1990). *Boards that make a difference*. San Francisco: Jossey-Bass.

__________ (2002). Board leadership: from myth to reality. *Leader to Leader* (Fall).

CUMIS (2000). Governance task force report of the working committee on governance and decision-making. Canadian Credit Union System (22 August 2000).

Drucker, Peter F. (1990). *Managing the nonprofit organization: Principles and practices*. New York: HarperCollins.

Ferronato, Sherry (2001). Accountability: The maturing of the charitable sector. Muttart Foundation Fellowships Paper.

Gill, Mel (2001). *Governance do's and don'ts: Lessons from case studies on twenty Canadian non-profits*. Ottawa: Institute on Governance. Final Report (April). http://www.iog.ca/publications/nonprofit-gov.PDF.

__________(2002). Governance effectiveness quick check. Ottawa: Institute on Governance. http://www.iog.ca/publications/quickcheck.pdf.

Government of Canada/Voluntary Sector Joint Initiative (August 1999). *Working together.* Ottawa.

Hesselbein, Frances, et al. (eds.) (2001). *Leading beyond the walls*. San Francisco: Jossey- Bass.

Houle, Cyril O. (1989). *Governing boards.* San Francisco: Jossey-Bass.

Howell, Joy and Stephen Hibbard (2002). Navigating the changed landscape of corporate governance. *Harvard Management Update* (December).

Hunter, Laird (1998). The nonprofit, not for profit, and voluntary, charitable sector. Not for Profit and Charity Law Pages. http://www.law-nonprofit.org/define1.htm.

Kidd, Maureen and Bob Wyatt (co-chairs). *Improving the regulatory environment for the charitable sector: Interim recommendations* Toronto: Voluntary Sector Initiative Joint Regulatory Table, 2002. http://www.vsiisbc.ca/eng/joint_tables/regulatory/pdf/interim_report_full.pdf.

Kumar, Sarabjaya and Kevin Nunan (October 2002). Strengthening the governance of small community and voluntary organizations. York (UK): Joseph Rowntree Foundation.

Lavelle, Louis (2002). The best and worst boards. *Business Week* (17 October), 105–114.

Light, Mark (2001). *The strategic board: The step by step guide to high impact governance*. San Francisco: Jossey-Bass.

Macleod, Flora (1991). *Forming and managing a nonprofit organization in Canada.* Vancouver: International Self-Counsel Press, 1991.

MCCOO (1989). Not-for-profit incorporator's handbook. Ministry of Consumer and Commercial Relations (Ontario). Toronto: Queen's Printer for Ontario.

Monahan, Patrick J., and Elie S. Roth (2000). *Federal regulation of charities: A critical assessment of recent proposals for legislative and regulatory reform.* Toronto: York University.

Miller Thomson (2001). Charitable and Nonprofit Organizations: What is the difference? *LawNow* (June/July). http://www.law-nonprofit.org/25-6nfp.htm.

Murray, Vic et al. (1992). Power in and around nonprofit boards: A neglected dimension of governance. *Nonprofit Management and Leadership* 3, no. 2 (Winter), 165–82.

O'Connell, Brian (1993). *The board members book.* New York: The Foundation Center.

Oliver, Caroline, ed. (1999). *The policy governance fieldbook.* San Francisco: Jossey-Bass.

PAGVS (1999). *Building on strength: Improving governance and accountability in Canada's voluntary sector.* Final report of the Panel on Accountability and Governance in the Voluntary Sector. Ed Broadbent, Chair. Ottawa (February). Also known as the "Broadbent Report." Available on line at http://www.vsrrsb.net/pagvs/Building_on_Strength.htm.

Plumptre, Tim (2002). Governance. *Canadian Fundraiser eNews* (31 August). Available on line at http://www.canadianfundraiser.com/newsletter/article.asp?ArticleID=593&ClientID=1.

Robinson, Mary (2001). *Nonprofit boards that work: The end of one-size-fits-all governance*. San Francisco: Jossey-Bass.

Sheldon, D. R. (1996). *Achieving accountability in business and government.* Connecticut: Quorum Books.

Sonnenfeld, Jeffrey (2002). What makes great boards great. *Harvard Business Review* (September).

Stein, Janice Gross (2001). *The cult of efficiency*. Toronto: House of Anansi Press.

Totten, Mary K. and James E. Orlikoff (2002). Evaluating trustee performance: Issues, trends, and process. *Trustee* 55, no. 1 (January): 15–18.

VSI (1999). *Working together: A Government of Canada/Voluntary sector joint initiative.* Report of the Joint Tables. http://www.vsi-isbc.ca/eng/knowledge/working_together/pco-e.pdf.

___________ (August 2002). Improving the regulatory environment for the charitable sector: Interim recommendations. Voluntary Sector Initiative Joint Regulatory Table. http://www.vsi-isbc.ca/eng/joint_tables/regulatory/pdf/interim_report_full.pdf.