

CANFRO

Minutes of Special Board Meeting April 12th, 2012, 4:30 PM

Present by Skype: Virginia Bartley, Penelope Hopkins, John Rollins,
Duane Webster, Lynda Wilde

Regrets: Patricia Simmons, Alvin Starkman

Guest: Sandra Thomson

1. Welcome

Penny opened the meeting and welcomed Sandra Thomson, a Canadian development consultant. Sandra, who works with non-profit organizations in British Columbia (<http://www.sandrathomson.ca/>), has an interest in Oaxaca and in the work of CANFRO. She has offered her expertise in CANFRO's start-up phase and her further participation in later activities of the organization.

2. Approval of Agenda

Penny drafted the agenda so that discussion would track points raised by Sandra for consideration. These points are important as they relate to best practices for effective governance, good donor and partner relations, sound financial systems and effective fundraising in a non-profit organization. Some points have previously been addressed by Board members and incorporated into the initial by-law. Others led to the action items, noted below. Still others will be deferred for later Board consideration.

Motion by Lynda (Duane) to approve the agenda as circulated.

Motion carried

3. Board Governance

Sandra began by suggesting that CANFRO should make good use of volunteers. She noted that many committee and other activities can be carried out by people who are interested in CANFRO's work but not members of the Board. Indeed, healthy participation by volunteers can create a pool of potential Board members.

Sandra suggested that an optimal number of Board members is usually 7, and that Board members' terms should be 2 years, renewable three times. After six years, to prevent burnout and to allow for fresh ideas,

Board members should step out of Board activities for at least two years. Board members should see as part of their job the recruitment of replacement members.

Action Item: Next meeting or AGM amend initial by-law to reflect suggestions regarding renewal and limits of terms.

Regularly scheduled Board meetings, Sandra said, should be kept to the minimum necessary to carry on CANFRO business – perhaps two a year as well as the AGM – and should be limited to a reasonable length of time – perhaps 60 to 90 minutes, with the likely duration of the meeting announced in advance so that Board members can plan their time.

Sandra emphasized that having directors' and officers' liability insurance is important, and suggested that this be and remain a budget item.

Action Item: John to check on special insurance rates that might be available through a local, provincial or Canada-wide association of volunteer organizations, and report at next meeting or AGM.

The Board has already developed an approved an initial annual budget. Sandra noted this and simply underscored the need to develop and approve an annual budget in a timely manner each year. The budget wraps up the previous year, addresses reports from each project manager and includes budgetary proposals for projects during the next year.

Action Item: Next meeting decide when to develop and approve annual budget.

The Board, Sandra suggested, can carry out its work through Board members, but also through professional service providers (lawyers and accountants), agents, advisors and – as noted above – volunteers. It can also operate by delegating work to committees, which can be permanent or ad hoc. Examples of typical committees are executive, finance, fundraising, donor relations, etc.

As to inter-Board communications, Sandra suggested that Board members need not be copied on all work-in-progress emails/notices unless they are involved in the work or a decision respecting it. Generally, Board members should only be mass copied on emails/notices announcing meetings, circulating agendas and minutes or issuing reminders.

As Board policies and procedures are developed, they should be written down and collected in a manual for reference, and updated as needed. Sandra has and will make available some templates. The

manual could be available online through the website for volunteers (and for donors, in the interest of transparency), and should be provided to each incoming Board member.

Action Item: Next meeting or AGM decide responsibility for writing and maintaining policies and procedures manual.

4. Donor Relations

Sandra emphasized that this is probably the most important ongoing aspect of Board work as without happy donors and their funding CANFRO loses its raison d'être.

The CANFRO website should make it clear that CANFRO is an Ontario-based, non-profit corporation, registered (in the fullness of time) with CRA. The letterhead and any written, published materials should do this as well. Board members should be named in these and executive Board members identified. Website content and management should be delegated to one Board member.

The single process that involves component parts of soliciting funds, receiving them, disbursing them and then reporting on them – to donors, partners and government agencies – is important to CANFRO's reputation and sustainability. It must be easy to manage and transparent.

For donations to be made through the CANFRO website, there are two main alternatives: PayPal and Canada Helps. A donation tab on the website can be linked to either. PayPal has the advantage of being better and more widely known, and having special rates for non-profit recipients of funds (1.3 %). Canada Helps, while having higher rates (3.9%), has the advantage of being a whole receipting/replying system that provides immediate feedback to the donor. Immediacy is a major benefit. Another benefit is that there is no need for a Board member to issue and sign receipts. Penny has had some experience with Canada Helps.

Action Item: Penny will check into this matter and report at the next meeting.

Whichever way we proceed, suggested Sandra, we should ensure that our website and promotional materials make it clear how and when receipts will be issued and acknowledgments sent. In the interest of transparency, our website and promotional materials should also make it clear how much of each donation goes to either PayPal or Canada Helps and how much goes to the administrative costs of CANFRO.

Action Item: Next meeting discuss what will be said about costs on our website and in promotional materials, and draft simple

examples of where donation dollars go (or delegate responsibility for this).

Donors should have drop-down menu options so that they can designate the projects they wish to support and, as well, so that they can designate a donation specifically to cover administrative costs should they wish to do so. Donors should also have the option to give anonymously.

Sandra suggests that we draft a standard email thank-you note for all donations, and a standard email receipt if we do not use Canada Helps.

Action Item: Next meeting discuss contents of standard note/receipt as needed. “Standard” note/receipt can be individualized to reflect project supported etc.

5. Internal Systems

Sandra asked about proposed banking arrangements. John and Penny reported that we now have a dedicated CANFRO account in Belleville at TD Canada Trust. We plan to have a Board member open a dedicated CANFRO account in Oaxaca and have money transferred directly between Belleville and Oaxaca for disbursement by Board members designated as project managers. Money is to be transferred to Oaxaca in the least expensive, most reliable way.

Sandra suggested, again in the interest of transparency, that our website and promotional materials make it clear how money is deposited, transferred and disbursed. Donors, she noted, should be reassured that CANFRO is handling funds pursuant to sound financial advice and according to accepted practices. Donors should be advised that all monies will be handled in the same way and only money donated through CANFRO will be eligible for receipts (i.e. not money given directly to the projects).

Action Item: Next meeting, discuss responses to inquiries about donations – cash gifts, cheques etc.

As to tracking funds, which Sandra stressed as important, John has already set up an accounting system to do this – each project is listed separately and each donation to that project will be too, as well as any associated expenses. Donations will be matched to projects specified by donors. Again, Sandra noted the importance of a fast turnaround on receipts and on thank-you letters.

Annual reports to donors should be sent by the Board, and these should be in the nature of “story telling”, that is, not just dry and numeric but rather as personal and rich with detail as possible. Annual reports can encourage additional donations, as well as assistance with

start-up and administrative costs. These costs should be detailed. Annual reports should list donors (but not amounts given), in alphabetical order. Donors could be broken down by projects supported. Anonymous donors could also be listed.

The Treasurer will handle regular/annual reports to CRA and the Ontario government.

Sandra noted that there is a group called the Canadian Council for International Cooperation (CCIC) (www.ccic.ca). This may be a useful organization for CANFRO.

Action Item: Duane will look into this group and report at the next meeting. If he cannot, Virginia will assist as backup.

6. Oaxaca Community Partners

Sandra suggested that Oaxaca community partners be sent a list each year (or twice a year) as to the donors supporting them. The partners can (and should be encouraged to) write directly to donors thanking them. This maintains close contact and ongoing commitment.

Because CANFRO is required to fund specific projects, track and allocate funds and then report on those funds to CRA, there are no signed agreements with Oaxaca community partners. Sandra suggests looking into how CCIC operates in this regard.

Action Item: Penny will look into this matter and report at the next meeting.

7. Fundraising

Sandra closed her remarks by noting that CANFRO, as a non-profit organization and soon-to-be-registered charity, could eventually look to submitting funding applications to service clubs and other community organizations, as well as government sources such as CIDA – which has a contact office in Mexico City and manages a reasonably large fund for projects in Mexico. That said, the focus for CANFRO during the first year or so should be on establishing itself, developing policies and procedures and cementing relations with Oaxaca community partners and individual donors.

8. Adjournment

On behalf of the entire Board, Penny thanked Sandra for her time and thoughtful, very helpful input. We all look forward to working with her.

Moved by Duane (Lynda) to adjourn the meeting at 5:30 PM.

Motion carried