



# National Community Foundations Forum 2014

An Australian Community Philanthropy event

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# Governance

Catherine Brown



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# Governance matters for experienced community foundations

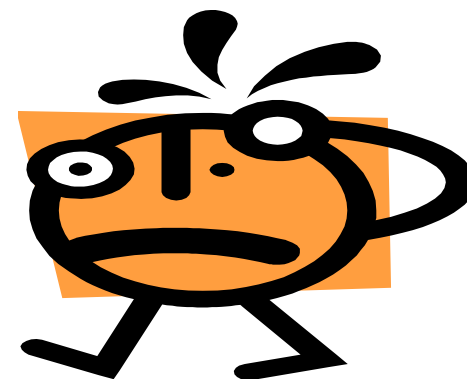
National Community Foundations Forum, 4 September 2014

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Catherine Brown, Chief Executive Officer, Lord Mayor's Charitable Foundation

# The role of the Board

- **Setting strategic direction (strategic planning)**
- High level stakeholder engagement
- Monitoring performance
- Ensuring compliance with legal and financial legislative requirements
- Risk management
- Appointing the CEO



Discussion: Which one of these areas is keeping you awake at night?!

# Setting strategic direction

## Board Checklist:

- A strategic plan is in place for 3 – 5 years and is reviewed every year.
- The Board and the Executive Officer (and other key stakeholders) are involved in this process.
- You are keeping a weather eye out on the changing external environment.
- What has been your CF's best strategy? Why?
- What has been your CF's least successful strategy? Why?

**“Successful funders will be those who pioneer ‘next practices’ better suited to a more networked, dynamic and interdependent environment than current approaches.”**

<http://monitorinstitute.com/whatsnext> (2010)

# Setting strategic direction – the external environment

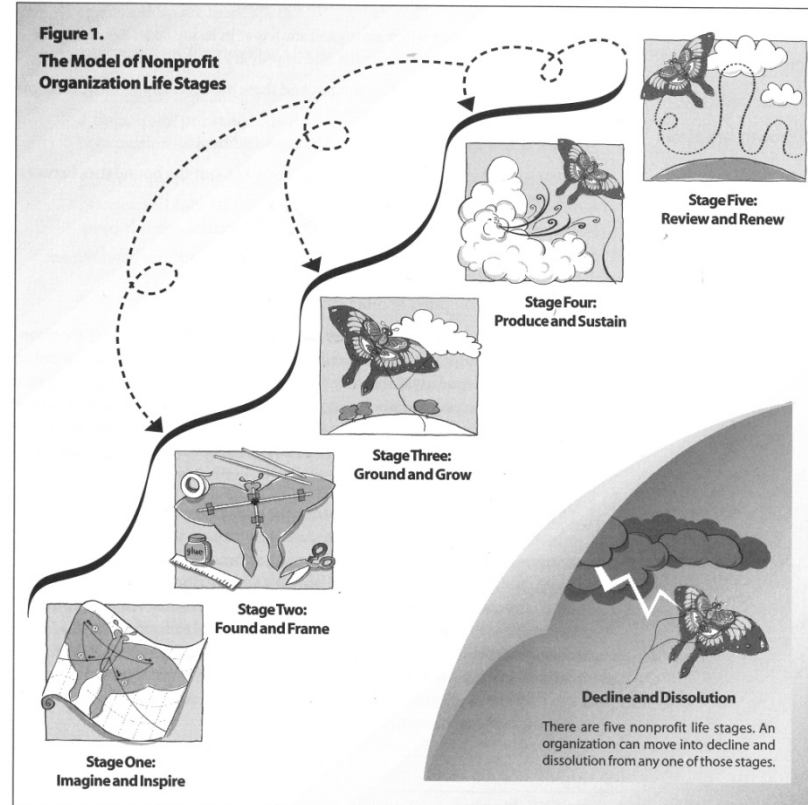
“The big shift that matters going forward is positioning that world of enterprises and revenue in a digital frame” (Blueprint 2014, Philanthropy & the Social Economy, Lucy Bernholz)

## Some themes:

- Operating in a digital world changes the way foundations operate and relate.
- Data as a resource – sharing of metrics and analysis of data will emerge.
- Privacy is growing as a compliance issue.
- The growth of social enterprise, impact investment and the social economy generally is already having an impact on what we fund and how not-for-profits are structured. The division between for profit and not for profit is beginning to blur.

# Setting strategic direction

Understand where your community foundation is in its life stage. This affects the strategy that you put in place.



Sharken Simon, J. and Donovan, J. (2001). *The five life stages of nonprofit organizations*. 1st ed. Saint Paul, MN: Amherst H. Wilder Foundation, p.7.

# Stakeholder engagement

## Board Checklist:

- Do we know who our stakeholders are?
- Do we understand our donors?
- Do we understand the needs of the local community?
- Do we have a social media plan and policy?
- Do we use digital as well as traditional media to reach our stakeholders?
- Does our website measure traffic – or have any other analytic ability?
- Do we have face to face as well as online or paper based contact with our charitable fund account holders and other donors?



# Monitoring performance

## Board Checklist

- Do we have an annual business plan?
- Do we review this at least twice a year?
- Does it cover:
  - grant program,
  - fund development,
  - communications & marketing,
  - investment,
  - business management
  - special projects i.e. community initiatives or programs
  - governance matters?





# Compliance

## Board Checklist

- Are we keeping an eye on developments relating to the ACNC and its replacement regime?
- Do we understand the legal framework we are operating within? (structure, tax endorsements and charity law)
- Are we reporting to the ACNC? i.e. Annual Information Statement and 2013/14 financial report.
- Are we reporting to Treasury via the Public Ancillary Fund Return?
- Do we have the required fundraising permit?
- Do we maintain appropriate insurance – and check with our insurers when our activities change?
- Do we use a Compliance Sheet or Compliance Register to help keep us on track?

# Risk Management

## Board Checklist

- Do we understand our Risks – operational, reputational, financial...?
- Do we have a Risk Register?
- Do we know the Board's Risk Appetite?

Risk is inherent in supporting innovation and exploring new ideas and initiatives e.g. social enterprises. Some risk is good! Managing and understanding risk is what is important.

Some questions:

- What percentage of our granting do we want to allocate to more risky projects?
- What percentage of our investments do we want to allocate to growth assets or to social investment?

# Appointing the Executive Officer



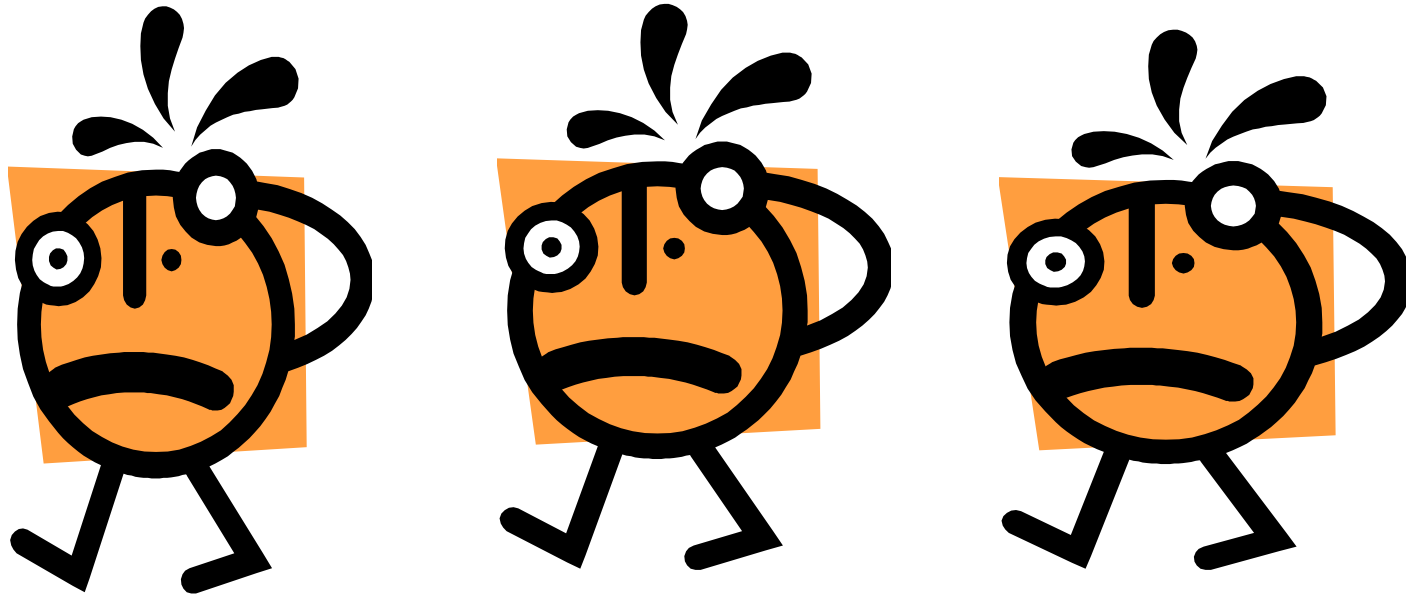
## Board Checklist

- What skills do we need in our EO at this stage of our organisational development?
- Do we review performance every year?
- How do we support the EO gain skills and networks – this can be a lonely role at times.
- Does the EO have the resources to make things happen (i.e. Board support, budget, professional advisers, volunteers, office, staff )?

# So which area or question is keeping you awake at night the most!!



GROUP DISCUSSION /CASE STUDY





# Contact details

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