

## 'BEST PRACTICES IN CLUB MANAGEMENT'

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The topic today – 'Best Practices in Club Management' -- is very broad. It covers delivering the best rowing programs, attracting the highly qualified coaches, managing staff and volunteers, club governance, financing your activities, following provincial and federal legislations, and marketing and promoting for growth.

We will not be able to cover all this material in depth, but instead will narrow down to some of most 'common' area of interest for clubs.

My name is Lana Burpee. I am President of the Ottawa Rowing Club. In addition to my four years on the ORC Board, I have been involved in managing not-for-profit organizations as an Executive Director for over 10 years. I'm joined by Chris Waddell, ORC's VP of Administration who can offer insight from 6 years actively running the administration of the club.

The ORC is very large – some 900 individual members, a \$450,000 operating budget, a full-time head coach, 2 seasonal coaching assistants, a club manager, youth camp counselors and LTR instructors. But there are many common opportunities for all of us – big club or smaller club -- to manage our organizations better.

What's better? Minimizing risk, increasing the program excellence, growing participation; attracting and keeping staff and volunteers, adding boats to our fleets -- and, all while staying afloat financially!

Today we will focus on: Governance, Finance, Managing People, and Promotion -- as well as introducing the concepts of social enterprise and social media.

Lastly, we will wrap it all up by introducing a tool from True Sport and the Canadian Centre for Ethics in Sport called 'Club Excellence Certified'.

## GOVERNANCE

Governance speaks to how your rowing club is structured / organized and the 'rules' / policies and procedures on how it is run. It is most likely that your club is a not-for profit (meaning that the objective of the club is rowing -- not generating profit) -- and likely incorporated. You have a Board – a group of people who take responsibility for the management of the rowing club.

There is no requirement for your club to be incorporated – but there are advantages.

Incorporation gives your club its own separate legal existence apart from the members. In other words, the club continues in the event that there is a change of membership; the club can own property and carry debt, as well as sue or be sued. Being incorporated is often required for grant eligibility (ie. Canada Summer Jobs, Trillium Foundation) But – incorporation is important for risk management because it protects individuals from being responsible for the club's debt or obligation.

There is no right way to structure your club – or right way to run your club. There are however commonalities that help:

Bylaws: Read them. Know them. Use them! If your club's bylaws don't make sense or are not up to date change them. Be careful not to make your bylaws too specific in order to provide some latitude under which your Board can govern.

Build your Board: In other words, recruit the talent you need (ie legal, financial, administrative). Combat the problem of no volunteers coming forward by developing job descriptions/ terms of reference for each Board position, set and respect a length of term in office. Let your membership know who you are! – on your website, at meetings or events. Board members cannot be paid for their services – unless in a capacity to the club outside of their board duties.

Make certain that you and your club is insured! Insurance would include Directors & Officers Liability Insurance, general liability insurance and contents insurance – and in many cases building insurance and auto insurance too! Take advantage of RCA insurance coverage, and that provided by many municipalities for sports organizations. Get a new quote every few years. Make certain you understand your coverage.

File an update annually with the Province (for those incorporated). This update documents any changes to your governance, including board members or bylaws and can be filed with your tax return or on its own.

Register with Rowing Canada and RowOntario! Make sure that your club, your board and your members are registered.

If you are incorporated, you must hold an Annual General Meeting – it's the law! You must give your members 'proper' notice to attend, and at the meeting you must have membership approve financials from the prior fiscal year, elect a board, and appoint auditors.

Keep records – including your article of incorporation, bylaws and filings (if incorporated), tax returns, Minutes (signed), Financial records (signed). These documents often live in boxes in basements! Do better.

Plan for: conflict of interest / code of ethics / conflict resolution/ communication, including privacy, harassment and abuse.

TOP TIPS:

File your provincial return

Read and follow their bylaws

Keep records of decisions – you cannot decide by an email vote!

Discover the 'Ontario Corporations Act'

The current Corporations Act was written in 1907 and updated in the 1950s. Late next year, when the new 'Ontario Corporations Act, 2010' comes into force, it will: simplify the incorporation process, enhance corporate governance and accountability, give more rights to members, better protect directors and officers from personal liability.

## FINANCE

I don't know of any other topic that not-for profits struggle with as much as finance – nor a topic that causes everyone's eyes to glaze over...(except perhaps governance!)

A rowing club may have many sources of revenue: member fees, grants, sponsorships, donations, bequests. What's the difference:

- Fees -- monies paid for services
- Grants -- monies given with no expectation of repayment provided they are used in an agreed upon way; follows an application process. Not applying for grants – not getting your share? Perhaps you could improve your application by attending one of the many workshops on this topic.
- Sponsorships -- monies provided, most often by corporations, in exchange for a benefit gained by a relationship with your club. Often this relationship is demonstrated by logos on equipment, vehicles, signs, flyer, websites or other promotional vehicles.
- Donations -- monies provided, by corporations or individuals, for which there is no expectation of benefit except for a tax receipt when applicable.

Rowing clubs also have expenses such as (salaries, equipment costs, supplies or insurance.

Revenue and expenses are put together in an Annual Budget. There are many ways to build a budget. One good way is to split the tasks among the Executive / Board members to push down responsibility for drawing up budgets and then overseeing spending.

Profit is NOT a dirty word! Contrary to popular belief, a not for profit is permitted to earn a profit. I suggest that it should be a priority for each club to have a profit each year – which would build a reserve fund. You can keep your excess profits as a reserve until you have a place to spend them (ie saved enough for a new boat). The reserve levels are very generous: Canada Revenue Agency (CRA) considers that up to one year's operating budget can be held in reserve. You may choose to earmark monies for a specific purpose and segregate these so that your membership can see how close you are to your goal. All reserves must be protected by prudent investment – even if a 1% return doesn't seem like much today.

Financial Statements: Make sure that at least one person on the board can read a financial statement – and interpret it for the rest. Key documents, Profit and Loss (Income Statement) and balance sheet – should be provided to the Board for review on a timely and regular basis.

HST remittances: HST is payable on pretty much all revenue except that generated by fees for rowing programs for children 14 years of age and younger. For example, if you are hosting a regatta and collection regatta entry fees -- HST is payable on regatta fees. Always get guidance from CRA or an accountant.

Protect your money: Make it a policy that two signatures are required on every cheque – and the no cheques are pre-signed! Another easy 'best practice' is not to sign a cheque payable to yourself! Have the bank reconciliation done by someone other than the Treasurer – to make sure that more than one person has their eyes on the books! Shop around for a bank periodically. The ORC essentially eliminated the cost of fees by switching banks. You may be surprised by what you find when investigating banking options. For example, credit union Alterna Savings ([alterna.ca](http://alterna.ca)) offers a 'Community Builder Mortgage' which may become a club fundraiser!

Honorariums: Your club may wish to provide a financial honorarium to a valued coach or other volunteer. There are rules about this: you cannot give an honorarium to an employee because that is considered to be taxable income; you cannot give a Board member an honorarium for his/her duties on the Board; an honorarium cannot exceed \$500 or it is considered to be taxable income; -- and a T4A must be provided to all who receive an honorarium.

Tax Receipts: Do any of your programs qualify under the 'Children's Fitness Tax Credit'? If so, you are required to provide a receipt which can be used when filing income tax. A registered charity is a special kind of not-for-profit organizations, and only charities are permitted to issue receipts which can be used to offset income tax payable. There are organizations with whom a rowing club can work for arrange for a tax receipt on a donation of money or equipment. Sport Alliance may be able to help. Please contact them for further information.

File a tax return! Yes, even not-for-profits must file an annual tax return.

Audit: If you are incorporated, you must provide a summary of the fiscal year's finances to the membership within 6 months of your year end. Whether you are incorporated or not, the minimum you should do is provide a financial statement for the preceding year which is signed by 2 Board members. An organization may choose to hire a professional to review their books through an audit or a Review. These are three options that demonstrate financial responsibility to your membership and others. You should note that organizations like the Trillium Foundation require audited financials if your gross revenue exceeds \$250,000. That includes revenue that comes in then right out the door, like bus charges that are collected centrally.

In the event that you close your rowing club, what happens to any monies or assets (like boats)? These must be returned to the membership, unless there is other provision in your by-laws to transfer the assets to another rowing club or maybe RowOntario. One more reason to keep your by-laws up to date.

Fees, grants, sponsors, donations, fundraising – isn't there any other way to generate revenue to achieve their mission more effectively? Operate a 'social enterprise' -- a business that generates revenues which are reinvested in rowing.

You would recognize social enterprises as the gift shop in a museum or parking fees at a hospital. tYou may already be doing social enterprise -- by renting space for meetings or banquets, or having a coffee shop dockside. Remember that here too HST has to be collected and remitted and applicable deductions and employer contributions apply for all employees. Thinking like a business challenges the nfp culture – but provides opportunities as well.

Late next year, when the new 'Ontario Corporations Act,2010' comes into force, it will clarify that not for profits can engage in social enterprise.

#### TOP TIPS

Don't presign cheques.

File a tax return.

Understand your financial statements.

#### MANAGING PEOPLE

At your club, you probably have a volunteer Board of Directors, some coaches, possibly parents who help at regattas, maybe a regatta chair or boathouse manager, or someone keeping the website up-to-date.

Some clubs may have paid staff: perhaps coaches or camp counselors.

Best practices for managing volunteers and employees are increasingly the same. It makes sense -- because you want to recruit, retain and realize the very best in everyone. Volunteer or employee, here are some ways to better manage them:

Job description: In order to do a job, you the club, have to provide the volunteer (or employee!) with a job to do. Figure out what you need done, how many people, what do they know how to do, and how they will work together. Have a plan – in other words have a job description. Review job descriptions periodically.

Recruitment: Once you know what jobs you need to fill, start recruiting by looking for those with the skills to be a good match. Too often we take whoever comes along – or don't refresh our volunteer pool. Research shows that a successful match of skills and duties enhances the volunteer experience. Sometimes the best way to recruit volunteers is to just personally ask them to help. Ask current volunteers to recruit or find a replacement for themselves. What about reaching out to volunteers on your website? Brochures? Registration forms? Signs? At meetings? Through schools? Your alumni? Your members? Club parents? IF YOU HAVE A EMPLOYMENT OPPORTUNITY – POST IT.

Take care of your volunteers and employees: Register them with RCA and RO. Consider WSIB and health insurance for out of country travel for employees.

Requiring Police Record Checks from volunteers and employees is considered due diligence. Procedures for checks vary by municipality. If you can: make arrangements for a check free of charge; keep a signed copy and return the original; establish an expiry time (ie 2 years). Know that many employers, like school boards, already require a police check, so use these credentials.

Standard First Aid & CPR C is the gold standard of training for volunteers and employees. Make sure at least one key person has this training. Encourage participation at 'mini' first aid courses by hosting them yourselves or paying the fees.

Employment Agreement: Establish an employment agreement when you hire. I needn't be complicated but will ensure that everyone knows the job title, rate of pay, terms of work (start date, end date, hours, benefits, probationary period, etc) You may want to stipulate that the ownership of materials produced while working belong to your rowing club! If you renew your employment agreement for a couple of seasons – your employee is automatically considered to be permanently hired and any termination of work must follow the severance guidelines of the Ontario Employment Standards Act regarding notice etc.

Contract workers (contractors)? Employee?: How can you tell the difference? Ask yourself whether or not you care which specific person come into work? Do you schedule their time? Do you outline the job? Do you provide tools (ie computer)? If you have answered yes—this is likely an employee. You cannot skirt around employer responsibilities by treating an employee like a contractor.

Reporting structure: Remember: too many bosses will make it impossible for an employee to work successfully, so establish a reporting structure. You may try having employees (or volunteers!) report through individual Executive / Board members. Easy reporting lines – and responsibility too.

Ontario Employment Standards Act covers employees, defining holidays, vacation pay and overtime, and the employer's obligations in the event of a termination. When an employee leaves, you are responsible for submitting a ROE (Record of Employment) to the federal government to qualify the former employee for EI.

Performance review: For both volunteers and employees, the performance review should be a two-way conversation. Try to do it annually.

Recognize and thank employees and volunteers!

#### TOP TIPS

Make volunteer jobs short term and specific.

Just ask for help.

Thank them!

#### PROMOTION

Do you have someone who answers your phone? Greets people at the front door? Do you have a website? Do you have signs? An answering machine message or registration package? You all have club colours – what about club clothing? Boats, vehicles, trailers? Consider all of these as tools for promoting your club.

Consistent message: make sure everyone knows what the message is – and that it is delivered consistently.

Keeping your message up to date! Plastering your website url on everything won't be much good if the website isn't up to date! Consider how popular photos and regatta results are. Drive people to your website to by providing them.

Consider cost of printing vs use of electronic delivery of information.

The Annual Report is a promotional tool which is often overlooked. It is a record of your results and highlights and must contain a finance snapshot. The Annual Report is a great tool to send to your municipal government, potential sponsors, donor agencies and your membership. It also provides a historical record of your club.

Don't forget that a strong relationship with the community could be your best promotion. Don't just invite the community to your club's Open House – consider participating in a local charity event. Dress in club colours and help out your community to increase visibility. (Not everyone is on the waterfront at 5am!)

Social media: A new toolbox of communication tools that encourages both self-expression and engagement – is changing the way we communicate. Social media are characterized by instantaneous conversations that are collaborative, multi-dimensional and permanent. In the past, your club could place an ad or post information on your website – controlling the message about your club. Today, people are talking about rowing and about your club. You cannot control their conversations, but you can participate – and learn a lot in the process.

Social media use and policies are emerging. Many corporations – even those with communications and legal teams – are just developing and experimenting with social media. Before using these tools you should consider how the club will protect privacy and proprietary information. You need to understand that you will not be able to control the messages and that participation must be continuous (requiring significant deployment of resources.)

#### CLUB EXCELLENCE CERTIFIED

There is a tool that puts together best practices in club management: 'Club Excellence Certified'.

The effort of True Sport and Canadian Centre for Ethics in Sport, 'Club Excellence Certified' is a set of 32 standards which guide excellence in sport organizations, under six headings: Program Delivery, Coaching, People Management, Governance, Financial Accountability and Marketing. Each of the standards includes examples of it being implemented successfully and sources for more information – including examples drawn from a variety of sports. This is an invaluable resource!

True Sport is working with sport NSOs and PSOs to encourage all sports clubs to meet the standards of excellence – especially those in Program Delivery which is based on the LTAD. Clubs who meet the Standards can apply to become 'Club Excellence Certified' and use the logo. The brand will be developed, promoted and supported by True Sport.

This program and these resource materials will not be launched until 2012 – but I have them available for you today.

As a not-for-profit, your rowing club is part of a large and vibrant sector in Canada. There are over 161,000 not-for-profits, generating \$112 billion in revenue annually (nearly 8% of GDP) and employing 2 million people.

The recognition of the size and importance of this sector of the economy mean that there are new resources and tools available to help you better manage your rowing club.

A sampling of organizations that you could reference is summarized on the presentation – available by link on the ORC website ([Ottawarowingclub.com](http://Ottawarowingclub.com)) or by searching [www.prezi.com](http://www.prezi.com)