

# Do we need a motion for that?

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Have you ever been uncertain about whether an item to be decided by your board requires a formal motion? Perhaps your board flirts with some version of “Robert’s Rules” even though no one really knows them? Maybe your board follows past practices with respect to making motions with no idea of where the procedures came from, or what could be improved. If any of this is true, you are in good company.

You might be surprised to know that here is no universally accepted or prescribed set of procedures that non-profit boards must follow in their deliberations and decisions. Yes, there are a set of meeting procedures many people have heard of called Robert’s Rules, but that is not where I am going here.

What I want to do is suggest that some decision items can benefit from a more formal approach to decision-making and some items can be handled more informally. I also want to encourage non-profit boards to create and write down their own procedures in the form of a simple set of guidelines. I will even provide a complete example to take away. Having a set of procedural guidelines will take the guess work out of how to deal with certain meeting items and be a valuable resource for board chairs and board secretaries, positions sometimes not inhabited long, and to executive directors.

## Parking Robert’s Rules

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Robert’s Rules of Order and its 20th century variations help many governing groups keep their meetings on track. The rules provide mechanisms to help balance and limit participation, especially in more volatile forums where there are competing parties or interests. The internet is full of information on these procedures if one is looking for help.

[<sup>1</sup>]Alternatively there is also a book entitled Roberta’s Rules of Order by Alice Collier Cochran published in 2004 by Jossey-Bass. The publisher’s description says: “this book ... Continue reading I not a big fan of non-profit boards being wedded to them. The basic idea of using motions to help focus discussion is however, a useful one. Hence this post. I suspect though that some “parliamentarians” will take exception when they read this.

## Use formal procedures for really important decisions

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Some board meeting decision items are way more important than others. They are important enough that the board should be very deliberate in how they handle them and how the record of the decision is reported in the minutes. It is therefore useful on some matters, to call for a motion, a seconder and a vote. How well these items are handled can be important if the board's actions are ever questioned.

Here is my list of important decision items that boards should *approve* with some formality. Your board's list might be a little different than mine.

- annual budget, or a revision to it
- organizational policies or revision to them
- strategic plan
- initiation of legal action
- allocation of surplus
- assumption of a major new financial obligation (e.g. mortgage or lease) or risk
- new directors to be recommended to association members at the AGM
- public policy position or endorsement of one
- hiring of a new executive director (or firing of the existing one)
- changes to the executive director's job description or contract
- salary increase for the executive director
- board member resignation

Some of you might look at this list and wonder why the approval of particular expenditures is not on it. Well, I do not think that boards need to give their OK to expenditures that are within the approved budget. If there are proposed expenditures outside the budget then the board needs to approve a revised budget. Your board may say yes, but we also want to approve certain types or amounts of expenditures, regardless. Fine. What are the types and amounts?

## Decisions that are symbolically important

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There may be some decisions that are symbolically important to your board and organization and therefore can benefit from being formally moved, seconded and voted upon. A long list of items is likely not necessary but here are two.

- Salary increase to all staff
- Offering thanks, recognition, congratulations or appreciation

## Keep some items more informal

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Part of the idea of formalizing some board decisions is to underscore their importance. If every part of the board's meeting agenda is bound by procedural rules then everything is important. Well everything is not! So here is my list of agenda items that may probably benefit from the less formality than the use of full on motions. As above, your board's list could be different.<sup>[2]</sup>What is called a 'consent agenda' item could include some of these matters but such a point is tangential to my subject

- approval of the agenda
- additions to the agenda
- committee reports
- financial report
- executive director's report

In the sample guidelines linked to this post, you will see some nuances in procedural formality. Discussion items, information items or board education topics ought not require motions at all in order to call for the board's attention. A well-planned agenda certainly helps with meeting effectiveness. More critical than clear procedures and a meaningful agenda is a confident chair who has been endorsed by the current board to manage its meetings.

## Motions to approve, accept or receive

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Language is important in my book. I am aware of some discussion about the meaning and use of the terms *approve*, *accept* and *receive* in the context of board motions. Some of this may be influenced by governance guru John Carver's view that boards sometimes fall victim to what he calls the "approval syndrome"<sup>[3]</sup>John Carver, *Boards That Make A Difference: A New Design for Leadership in Nonprofit and Public Organizations*, Jossey-Bass, 2006, Third Edition pps 68-72. Carver says boards can get too caught up in approving things, effectively taking ownership away from others – committees and executive directors for example. He says approving things only imitates leadership. It may be good to use motions to get behind the work of others if it is clear to all that the board is not just stating its authority.

So my take on this issue is that the board should use the word *approve* if the matter belongs to them and points the organization forward in time. See my list of items that benefit from *motions to approve* above. Otherwise, boards should use motions to *accept*, *receive* or *thank* as a procedure for acknowledging the work of others. A motion to accept a unexpected board member resignation is one.

Remember, the board should be as concerned with future organizational directions and future actions as with what has already happened, often the overriding work of oversight.

## Create your own rules of order

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A couple of years ago, in the role of a board secretary, I created a set of procedural guidelines for the organization that I was involved with. The original covered both board meetings and annual general meetings. With a few changes I have turned this into an example of what a list of procedures might actually look like for a variety of non-profit boards. Including more than a page of explanatory notes for other adopters, it is four pages long. I would love to know if you think it is both a good idea and a useful template?

Please feel free to download my Board Meeting and AGM Decision Procedures and use it to create one for your own organization. If you would like a more easily adaptable MS Word version please request one in your comments on this post or by clicking on the Contact link in the top right corner of GoverningGood main page and request one. I will not share your e-mail or use it to send you more information or notices.

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*The image chosen for this post is of the interior of the Nova Scotia Legislature as it is today. It shows the governing and opposition parties at work deliberating on matters of importance to the Province, one hopes. Nova Scotia's first House of Assembly was established on October 2, 1758 by settlers, mostly from the British Isles, Germany and New England, to govern lands inhabited for centuries by the Mi'kmaq First Nations and still unceded. Nova Scotia can boast to have had the first elected assembly in what is now Canada*



## Southwest Harbour *Community Centre Society*

### Board Meeting and AGM Procedures

*Note: There is no universally accepted or prescribed set of procedures that non-profit boards must follow in their deliberations and decisions. This document is intended serve as an example of the set of decision procedures that any non-profit organization might create and adopt for themselves as guidelines. This is an advance over not having any consistent approach from meeting-to-meeting. It is especially valuable to board members such as the chair, secretary or executive director.*

#### **Board of Directors Meetings**

1. Approval of agenda - No motion needed to amend or accept agenda. Chair need only ask for advice on the order of items, questions about then and if there are additions.
2. Approval of Minutes of previous meetings. Chair should ask if there are any changes or amendments to be noted and then pause. Hearing none the Chair may call for a *motion to approve* the minutes as presented or amended. A seconder and formal vote is needed.

Minutes can be amended to correct an inaccuracy, add context or better reflect the thoroughness of a decision process on an important matter. If the minutes of the previous meeting are amended the amendments should be noted in the minutes of the current meeting rather than going back to change the previous minutes.

3. Policies, whether new or amended, require a *motion to approve*, a *seconder* and a *vote* recorded in the minutes.
4. Board Discussion: No motion is required to initiate a discussion of an agenda item including reports or options put before the board for a decision.
5. Budget for coming year or a revised budget requires a *motion to approve*, a *seconder* and a *vote*
  - One of a boards main fiduciary responsibilities is financial oversight and the budget is the most important mechanism for this.
6. New organizational commitment involving a financial or reputational risk such as the

assumption of a mortgage or taking legal action requires *a motion to approve, a seconder and a vote.*

7. Instructions to the Executive Director regarding action to be taken, a policy to be implements or changes in the Executive Director’s job description, requires a motion to approve, a seconder and a vote.

8. An expenditure of funds from reserves, allocation of year-end surplus or a special or unusual expenditure not anticipated in the budget requires *a motion to approve, a seconder and a vote.*

9. Appointment of new interim board member – *Motion to accept, seconder and a vote.* It is important to acknowledge and welcome a new member to the board team. Interim board members can appointed if the bylaws allow board additions between Annual General Meetings.

10. Board resignation (outside of formal term): *Motion to accept, a seconder and a vote*

11. Annual general or special membership meeting business. *Motion to recommend* to the membership at the AGM requires *a seconder and a vote.* Examples

- Proposed slate of directors
- By-law change proposals
- Other matters where board wishes to consult membership

12. Reports received or information provided to, and discussed by, the board do not require a motion either to approve or allow discussion

13. Public positions and endorsements by the organization require a motion to approve, seconder and a vote

Additional suggestions on motions, voting and recording in minutes:

- Where a matter is a decision item (as above) the minutes can record M for mover and S for seconder with the first name or initials in each case (e.g. M-gm).
- At the chair’s discretion “voting” may involve a verbal call for “all in favour” or a show of hands. A show of hands is symbolically more affirming for building the governing team and should certainly be used important decisions.
- Unless otherwise requested by one or more directors, the number of votes cast or the number for and against or abstaining should not be reported.

- The vote may be recorded in minutes as passed (most decisions), passed unanimously (indicating a strong consensus) or passed with # persons dissenting or abstaining.

## Annual General Meeting (AGM) Procedures

*Note: The requirements for holding and conducting an AGM, including the election of directors, are normally outlined in the organization's bylaws. Beyond what the bylaws state, organizations may want to outline their own AGM procedures. Like the procedures above for board of directors meetings, these serve as an example of what might be rather than advice on what should be.*

As the Annual General Meeting is an important legal and symbolic event, a greater degree of formality is recommended to acknowledge the power of the membership. Motions made at an AGM should be decided upon by a show of hands.

1. Agenda: Approval of AGM agenda does not require a mover, seconder or vote if the matters are those outlined in the bylaws as the normal business of the annual general meeting. Other decision-making matters can be added to the agenda with a motion a motion and vote if the notice required by the bylaws with respect to special matters has been provided. The chair may open meeting with statement that the normal business of the AGM is before the membership. Following the close of the regular AGM meeting business, other matters can be discussed but not voted on.

2. Minutes of previous AGM: Requires mover and seconder and vote.

3. Annual Directors, Chairperson's or Board Annual Report require a motion to accept, and a seconder and a vote. These two reports can be moved and voted on separately or together.

4. Executive Director's or Annual Operational Report requires a motion to accept, a seconder and a vote.

5. Annual Financial/Treasurer's Report requires motion to accept, a seconder and a vote. Where it has been practice for the Auditors for the next year to be appointed at the AGM a separate motion naming the auditors will need to be made, seconded and voted upon.

6. Election of Board of Directors requires a motion to approve the list of directors, a seconder and a vote. (See Note on Election of Directors below)

7. Amendments to Memorandum of Association<sup>1</sup> and By-Laws. Should be introduced as a *Special Resolution* . Requires a motion, seconder and 2/3-majority vote<sup>2</sup>. Secretary should count and record votes for/against or abstaining unless the vote is unanimous.

8. Adjournment – AGM requires motion to adjourn, typically made by meeting chair. Requires no seconder or vote.

#### Note on Election of Directors

Item 6 above may be expanded upon depending on the organization's recruitment practice and/or bylaw requirements. The following are some examples:

- In cases where there is a *slate of board candidates*, whose names and backgrounds have been communicated to the membership in advance, the current board chair should briefly review the processes used for identifying and selecting the candidates and announce the list of proposed directors, ask for a mover and a seconder and then ask for a vote.
- In cases where some director nominations are also accepted from the members at the AGM (nominations from the floor) and where those candidates are present, the Chair shall confirm the candidates' willingness to serve on the board, announce all of the proposed directors and ask for a motion to approve those nominated as directors, a seconder, and then call for a vote.
- If there are more director candidates than board positions, the Chair will have to call for a vote by secret ballot. Preparations needed in advance and procedures for handling this should be added to this document.
- In cases where the bylaws specify that some or all the officers of the board (e.g. chair, vice chair, secretary and treasurer) are elected, appointed or confirmed at the AGM, the Chair should identify the names of the persons and office they are to hold from amongst those already elected as directors and ask for a motion to appoint said officers and a seconder and then call for a vote.

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<sup>1</sup> This is a key document under the Societies Act of Nova Scotia, the legislation incorporating most non-profit organizations operating in the Province.

<sup>2</sup> In Nova Scotia, special resolutions on matters named in the bylaws to be voted on by the members a must meet certain requirements and following the AGM must be filed with the Registrar of Joint Stock Companies, the Provincial government department responsible for the administration of the Societies Act.