

Strengthening your club's Governance System

Presented by John Kinner, CCM

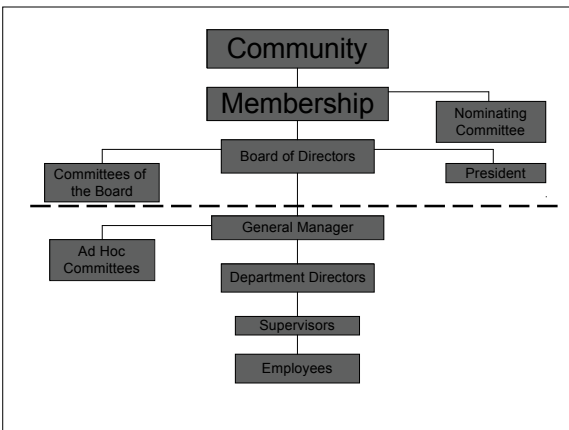
- Enron
- Arthur Anderson
- HealthSouth
- Global Crossing
- WorldCom
- Tyco
- NYSE

Decision Making

The practice of sound governance is the single most important controllable factor that will determine the level of success that any organization achieves, including our clubs.

Sound Governance

- Right people given responsibility and authority
- Held Accountable
- Processes understood by all



Board's Legal Responsibilities

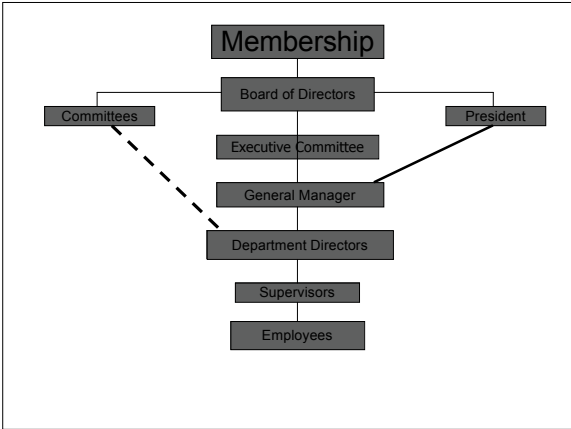
Duty of Care
Duty of Loyalty
Duty of Compliance
Confidentiality

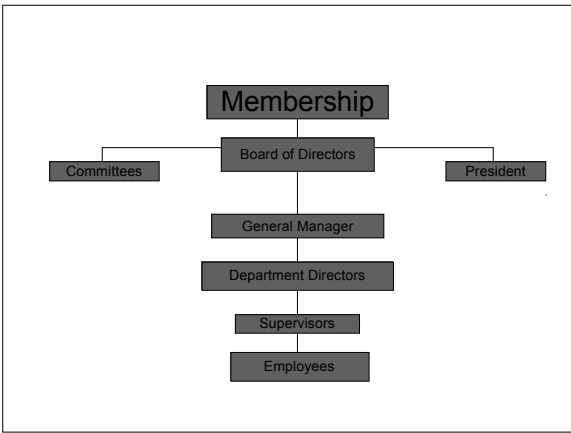
GM / COO Advantages

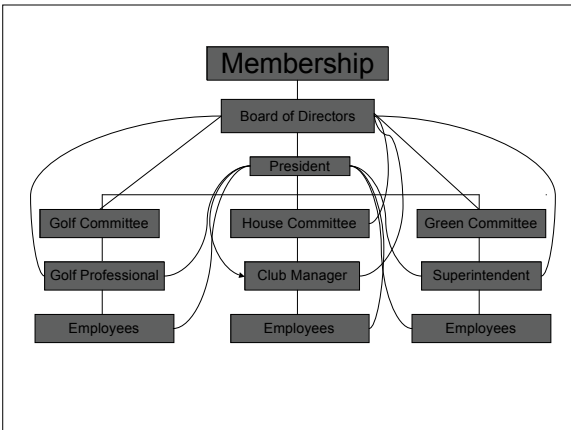
- A single professional operational leader
- On-site control and leadership
- Board delegates to and supervises one individual
- Frees the Board to focus on policy and ends
- Coordination of specialized skills
- Strong accountability for achieving ends

GM / COO Advantages, cont.

- Consistency throughout departments
- Broad-based and unbiased understanding of members' needs
- Constant oversight and availability
- Immediate interpretations and adjustments
- Members know who to go to







Questions
or
Comments

**DOCUMENTING
YOUR CLUB'S
GOVERNANCE**

- Includes Documents Such as:**
- Articles of incorporation
 - Bylaws
 - Meeting Minutes
 - Organizational charts
 - Parliamentary procedures
 - Strategic plan
 - Committee formation rules
 - Job descriptions for Committees, officers, even the GM and Department directors

Might Include Currently Undocumented Practices Such As:

- Reports: what and who?
Agendas?
- Committee Member Selection?
- Meetings: When?
- Nominating Committee formation?

Advantages to Documentation

- Helps new participants
- Everyone knows roles
- Eliminates duplication and gaps
- Places control with the Board
- Increases stability and consistency
- Provides baseline for improvements

Starting a Governance Handbook

- Develop & implement unilaterally
- Present a draft to the board
- Current or new committee
 - Hire a consultant

Elements of a Governance Handbook

- Organizational Chart
- Board job description
- Committee job descriptions
 - Executive Committee
 - Standing committees
 - Ad hoc Committees
 - Nominating committee

Elements of a Governance Handbook, Cont.

- Job descriptions for:
 - Each officer
 - Individual Director
 - Individual committee member
 - Committee Chairperson
 - Board liaison to committees
 - GM and Department Directors

Elements of a Governance Handbook, Cont.

- Activity / decision chart of responsibility
- Meeting guidelines
- Communication
- Receipt and agreement
 - Code of ethics
 - Commitment
 - Signed and filed
- Amendments
- By-laws references

Elements of a Job Description

- Qualifications
- Who are they responsible to (who do they report to)
- Who do they supervise
- General duties
- Specific Duties
- Results upon which performance will be measured

Elements of a Job Description

- Limits of authority
- Terms
- Composition
 - How many
 - Diversity
 - Specific skills
- Selection process
- Reporting requirements

Elements of a Job Description

- Legal obligations
- Filling vacancies
- Quorum
- Attendance requirements
- Process for removal
- Guiding principles
- Rights
- Optimal Attributes

Activity / decision chart of responsibility

Activity / Decision	Board of Directors	General Manager
Club Mission	Develops and communicates	Provides input
Operational Budgets	Approves and monitors	Develops, implements and monitors
Performance Evaluations	Performs for GM, Committees and Board of Directors	Performs for all Club Employees
Supervises and counsels	General Manager and Committees	All Club employees

Activity / decision chart of responsibility

Activity / Decision	Board of Directors	General Manager
Day-to-day operations	No involvement	Full responsibility
Hiring and Terminations	General Manager only	All Club employees
Department Managers' and Professionals' Compensation	No Role	Establishes within approved budget

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