

Leadership and Performance of Board and Executives

Contextual as to:

- Time
- Place
- Culture
- Environment

Changed Environment for Non-Profits

Charities Inquiry:

- communities being encouraged to take greater responsibility for developing their own solutions to their problems and needs, through an emphasis on community capacity building and development of social capital;
- a movement within the sector towards a greater focus on self-help, prevention and advocacy activities, and a less predominant emphasis on the provision of direct assistance;
- an increased range and volume of government funded services being delivered by non-government organisations;
- changes in the relationship between governments and the sector, such as:
 - government funding support to the sector being provided increasingly through outcome based funding agreements for the provision of defined services, as opposed to broader grant-in-aid funding;
 - contracts for the delivery of government programs and services through non-government organisations being awarded increasingly on the basis of competitive tendering processes; and
 - the community sector being encouraged to work in partnership with government and business in delivering outcomes for communities and individuals.

Inquiry into Definition of Charities

Commonwealth Department of Health and Aged Care

The definition for charities should:

- support the promotion and sustainability of civil society based on the values of self sufficiency, equity and shared endeavour;
- support preventative/educative activities as well as assistance in times of crisis;
- encourage social entrepreneurship, and involvement in active social responsibility by givers, not just donations;
- balance the needs of givers with the recognition that not all causes necessarily attract donations or sponsorship;
- encourage appropriate competition between service providers, but not at the cost of community cohesion and collaboration;
- support diversity of organisational entities ranging from national corporatised welfare organisations to small scale community endeavour; and
- maintain strictures on boards, members of staff gaining financial or other benefit from distributions of profits or funding surpluses in any form.

Submission to Inquiry into Definition of Charities

Charities and Not-for-Profit Agencies argued:

- are mission driven rather than market driven;
- value added services by access to additional resources through the re-investment of surpluses into services;
- target those most in need;
- contribute to the development of social capital and the notion of mutual obligation;
- serve the public good;
- taxation concessions attempt to rebalance the scales which otherwise favour for-profit organisations;
- the purpose, not activity, should continue to determine charitable status.

Inquiry into Definition of Charities

Contemporary Tensions for Non-Profit Boards

- ad hoc accountabilities
- unbalanced contractual arrangements
- commercial vs. Mission
- risk and liability vs. client needs
- workforce issues vs. limited resources

Accountabilities

The accountabilities that non-profit sector agencies face are already immense. Accountability is owed to:

- members, owners
- clients, consumers, advocates, guardians
- donors, sponsors, business partners
- government as regulator, funder, purchaser, partners, tax gatherer
- staff, unions, contractors, employment regulators
- tax payers
- communities within which agencies exist
- sector colleagues

TEN BASIC RESPONSIBILITIES OF NON-PROFIT BOARD

by Richard Ingram

1. determine the organisation's mission and purpose
2. select the Chief Executive
3. support the Chief Executive and assess his or her performance
4. ensure effective organisational planning
5. ensure adequate resources

TEN BASIC RESPONSIBILITIES OF NON-PROFIT BOARD

by Richard Ingram
(cont'd)

5. manage resources effectively
6. determine, monitor and strengthen the organisation's programs and services
8. enhance the organisation's public standing
9. ensure legal and ethical integrity and maintain accountability
10. recruit and orient new board members and assess board performance

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Big Picture

- national regulatory framework?
- common accounting/disclosure rules
- streamlined accountabilities between government, community and nonprofits
- strengthening industry capacity
 - workforce development
 - building service delivery capacity
- improved risk assessment and balanced liability