

AKTIVE

GOVERNANCE AND LEADERSHIP TOOLKIT

HOW TO STRUCTURE AND MANAGE
YOUR CLUB / ORGANISATION



OVERVIEW

The three pillars of leadership are culture, structure and strategy. Your club or organisation should have an appropriate legal status and committee structure to be able to deliver its desired vision and kaupapa.

Once this is in place the leadership group needs to be conscious of the standards it should operate to, and of its role in exercising appropriate and effective control of the club through policies, procedures and practices.

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THE PURPOSE



Auckland is a complex multi-cultural environment with many challenges and unparalleled opportunities to increase and sustain participation in sport and recreation. This has led to the establishment of *The Auckland Approach to Community Sport*, a strategic response aiming to create a world-class community sport system in *Tāmaki Makaurau*, community by community. This toolkit has been developed (and will be updated) by Active, with input from delivery partners CLM Community Sport, Harbour Sport, Sport Auckland and Sport Waitākere, based on insights and good practice examples from across Auckland.

The purpose of this generic governance and leadership toolkit is to provide information, insights and ideas that will assist leaders of clubs/ codes with understanding legal structures and the difference in roles between leadership and management. It can be tailored and implemented as each club/code sees relevant.



CHOOSING THE RIGHT LEGAL STRUCTURE

Good governance is about having the right structure, people and policies and procedures in place at your club.

GET YOUR GOVERNANCE RIGHT AND YOU WILL SEE THE BENEFITS, SUCH AS:

More time to focus on what is important to your club and community

•

More likely to meet funding criteria

•

Happier and more effective volunteers

•

Manage risk and protect your members and volunteers



WHAT KIND OF LEGAL STRUCTURE SHOULD YOUR GROUP HAVE?

There are several different legally recognised forms that a club might adopt. This will depend on factors such as your organisation's purpose and the activities it will offer.

Below is a brief overview of the different options your club can consider:

UNINCORPORATED GROUPS

- You will not need to go through the relevant administrative application process
- Fewer ongoing reporting and administration requirements
- Fewer costs
- Flexibility

INCORPORATED GROUPS

- Must have a minimum of 15 members
- Separate legal identity
- Continuing existence meaning it continues to exist as a separate legal entity regardless of changes in its membership
- Limited liability for members means for any debts or other legal responsibilities, its members aren't usually personally responsible for these

MEMBERSHIP GROUP OR A TRUST

- The decision-makers are the trustees
- Trustees are not accountable to any membership, although when they deal with the trust property, they're accountable to the people for whose benefit the trust was set up
- Suitable if there could potentially be significant money or property involved and you want to keep decision-making in relatively few hands

CHARITABLE TRUST BOARDS

- The Charitable Trusts Act 1957 allows a trust or an unincorporated society, to become an incorporated body – a "charitable trust board" – by registering under that Act
- Board members must comply with the requirements of the Charitable Trusts Act
- Reporting requirements will apply if the board is also registered on the Charities Register

COMPANIES

- A company can be set up with just one shareholder and one director.
- A company must have a name, one or more shares, one or more shareholders, and one or more directors
- It has a separate legal identity distinct from its shareholders and directors
- A company is a "limited liability" entity. This means a shareholder isn't personally liable, beyond the value of their shareholding, for any of the company's contracts, debts or other obligations, unless the shareholder has given a personal guarantee.

INCORPORATED SOCIETIES

WHAT DOES INCORPORATION MEAN? DO WE NEED TO DO THIS?

Being an incorporated society provides your organisation with a separate legal identity. This relieves the members of the governance structure and the club from liability for authorised acts of the club. It is a major protection device for clubs regarding legal issues, however, it does not prevent actions for negligence against individuals in all circumstances. While not mandatory, it is highly recommended that clubs incorporate - as individual members of an unincorporated club may be held responsible for its liabilities.

Many community groups will not need to incorporate. For example, if your group is intended to exist for only a short period (perhaps because it's been formed to organise an event) or if you don't intend to seek funding from funding agencies (who often require applicants for funding to be incorporated). In those cases, it may not be worthwhile to incur the cost of becoming formally incorporated and to take on the ongoing obligations - reporting requirements for example. To operate smoothly, an unincorporated group should record its rules and processes for managing the group's affairs and making decisions. Having detailed written rules helps to determine what is right and wrong if disputes arise.



CONSTITUTIONS

WHAT IS A CONSTITUTION?

A constitution is a basic set of rules for the daily running of your club or group and generally includes the reasons for its existence. It also regulates the relationship between members by setting out the basis for working with other co-members.

WHY DO WE NEED A CONSTITUTION?

Constitutions:

- Explain to members and non-members what your group is about.
- Provide guidelines for the daily running of your group.
- Help to sort out internal problems.
- Are a legal necessity if your group wishes to become incorporated.
- Can help in seeking resources from other organisations, such as a government agency.



WHAT LEVEL OF DETAIL SHOULD YOU INCLUDE?

A constitution can be extremely simple, containing only the basic outline to explain who you are, what you are set up for and important management matters. The extent to which you add detail in the rules depends on the needs or formality at the time of setting up the group, and on your group's thoughts about the projected needs of the group as it grows. Many details relating to minor management matters are best included within by-laws, regulations or policies thus keeping your constitution flexible and easy to operate within.

WHAT TO AVOID

A constitution can be made up of two parts; the rules which include the basic principles of the group and can be changed only by a general meeting; and the regulations or by-laws which can be changed by the committee.

You can place almost anything within a constitution. However, many aspects of your club's operation are more easily handled outside the formality of the rules. For instance, you would not include the membership charges or club colours in the rules. The rules in your constitution should relate to the administration of the club. They should not relate to the conduct of the activities of the club. Additional non-administrative rules should appear in regulations and by-laws. A clause in the rules empowering the committee to make, alter or delete regulations or by-laws should appear in the constitution.

OTHER ESSENTIAL CONTENT OF ANY CLUB CONSTITUTION

Note that the constitution of any club that intends to apply for the whole or partial funding of capital or operational expenditure by such funding bodies as gaming trusts or government departments must include rules that:

- (i) forbid any club member from obtaining any personal benefit from the club's operations (reimbursements or arm's length transactions excepted)
- (ii) provide that, in the event of any winding up of the club, any net remaining assets will be transferred to a body that has like objects to the club
- (iii) forbid the above two rules from being altered in any succeeding constitution

It is likely that gaming trusts will increasingly check that such provisions exist in any funding applicant's constitution before accepting its application for consideration.

Example of how to write a Constitution >> 

CHOOSING YOUR GOVERNANCE STRUCTURE

There are generally two common governance structures that lead organisations – boards and committees. Regardless of whether your organisation has a board or committee, you should be working towards the long-term success of the organisation. A club's success is largely down to the work of its governance structure via the group of people who form this. The trend today is for club structures to have smaller boards and committees with greater use of sub-committees for planning purposes. Whether your organisation establishes a board or committee at all times it is important to remember they are there to serve the members.

BOARDS

A board's role is to govern (mana) and provide strategic direction and should not be involved in management or operational (mahi) decision-making. Once the board has established the ends/outcomes for the organisation, accountability for the achievement of these is delegated to a Chief Executive Officer (CEO). The board appoints a CEO or General manager to manage operational tasks of the organisation. This is often a paid employee and they report directly back to the board on how the organisation is going. All other staff are appointed by the CEO and are accountable through that position.

WHAT SIZE SHOULD OUR BOARD BE?

There are no hard and fast rules regarding board size but should be appropriate for the size of the club. Five is a good rule of thumb for small to medium sized clubs.

HOW DO WE APPOINT AND SELECT BOARD MEMBERS?

Board members may be elected by the members of the club entitled to vote, be appointed by a board appointment panel set up for that purpose or result from a mix of these two methods. For small clubs, term limits of two to three years are preferred to ensure the board maintains a level of consistency in decision making and stability and is held accountable for policy and strategy. Rolling terms of position expiry dates is preferred so not all positions are replaced at once.

WHAT IS THE ROLE OF BOARD MEMBERS?

Board members must meet regularly, ideally monthly. As a rule, a club must provide its directors with enough freedom of action to exercise the leadership necessary to ensure successful implementation of strategy once this is developed by the board, including the subsequent development of policies that will advance the strategy.

The main role of the Chair is leadership, ensuring effectiveness in all aspects of the governance role.



The chair manages meetings, ensures that the board is balanced, board discussion is open, and includes all directors. It is also the chair's responsibility to ensure that relevant issues are included in the agenda and that all directors receive timely information for meetings.

COMMITTEES

A committee is the group of people who are elected, according to the rules or constitution of the club, to run the club on behalf of the members to achieve the goals and objectives of the club. A committee's function is to manage the day to day operations of a club, sharing the work load amongst its members. Most often a committee is made up of volunteers and the organisation has no paid employees.

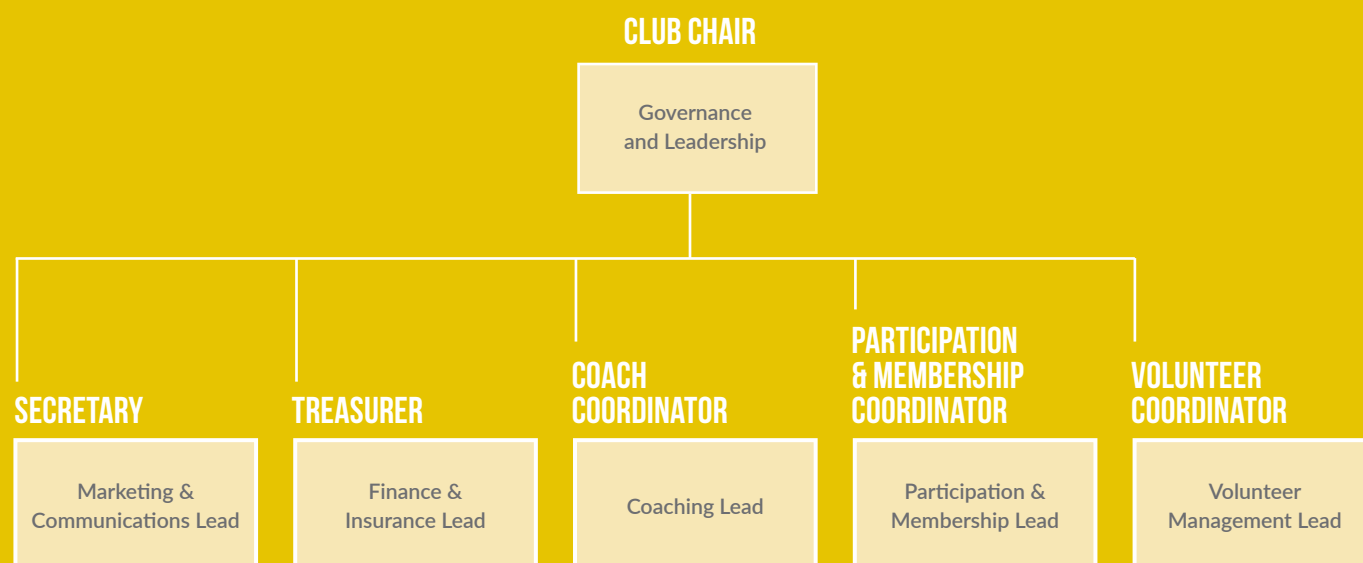
Your club may also have a few different sub-committees who oversee specific events like fundraisers or tournaments,

health and safety, day-to-day management or fundraising. A sub-committee is usually answerable to the overall management of the organisation. For example, you may have a finance sub-committee or a fund-raising sub-committee.

Committee members should have set roles and jobs to complete. The roles of people on your committee or management team could be:

- Chair (Club Lead) - the person in charge
- Secretary (Communications Lead) - deals with administration
- Treasurer (Finance lead) - handles the money

Beyond that your committee structure depends upon your club and it is important to find a structure that will work best for you. Noted below is an example structure and there are relevant learning toolkits that will assist them.





Committees can be a lot of fun and are a great way of ensuring everyone is involved and able to contribute to your club. Don't forget that committee meetings can also be good social events! Remember to allow some social time, separate from the main meeting agenda. We have some tips for running your meeting in the Meetings section.

Your national or regional governing body or other existing clubs may also have recommended committee structures for your sport.

GOVERNING YOUR CLUB

People make a club.

From volunteers and staff and whanau who help to run a club, to coaches who deliver sessions, to the members and participants who take part, a club's people are what makes it stand out. Happy people will help a club to thrive and grow. As a leader of leaders, one of your most important skills is to articulate a common sense of purpose or kaupapa across your organisation. Your role is to help set and support your organisation's culture and values by leading and developing a culture that fosters and supports belonging.

WHAT IS THE ROLE OF A LEADER?

A good leader is someone willing to take the lead and be responsible for a variety of situations and people. They ensure that everybody in the club is not only happy, but that everybody is contributing in some way to the achievement of the club's goals.

A LEADER WILL NEED THE FOLLOWING ATTRIBUTES:

1 Motivation and Inspiration

Motivate volunteers and find ways for them to excite other volunteers about their tasks. Establishing trust and loyalty among members and providing encouragement to help people reach their full potential within your club is a fantastic attribute. It can also help increase volunteer retention and improve sustainability of your club.

2 Be Bold

To be a good leader, you sometimes need to take risks. Have confidence when making difficult decisions and be firm in implementing them. This will give your team courage and motivate them.

3 Smart leaders acknowledge 'what they don't know'

Make sure to never stop looking for opportunities to develop your skills.

Involve people who have different strengths to help you run your club well.

4 Speak to your people

Good leaders will communicate well and often with their people. Keeping people informed of what is happening creates a greater team feel and ethic.

5 Listen to your people

Your people are your greatest resource; listen to their feedback and encourage them to share their opinions and ideas.

6 Future focused

Leaders must not only manage current commitments but provide direction for future activity. Don't find fault, find a remedy.

7 Maintain harmony

Addressing conflicts and developing solutions is vital to ensuring that clubs survive and thrive.



FINDING PEOPLE FOR YOUR LEADERSHIP GROUP

Your governance structure should operate as a team and work towards common goals by drawing on the skills and talents of each other. It is important to recognise these skills and talents but also establish the types of skills that may be required, so in future you can identify potential governance members.

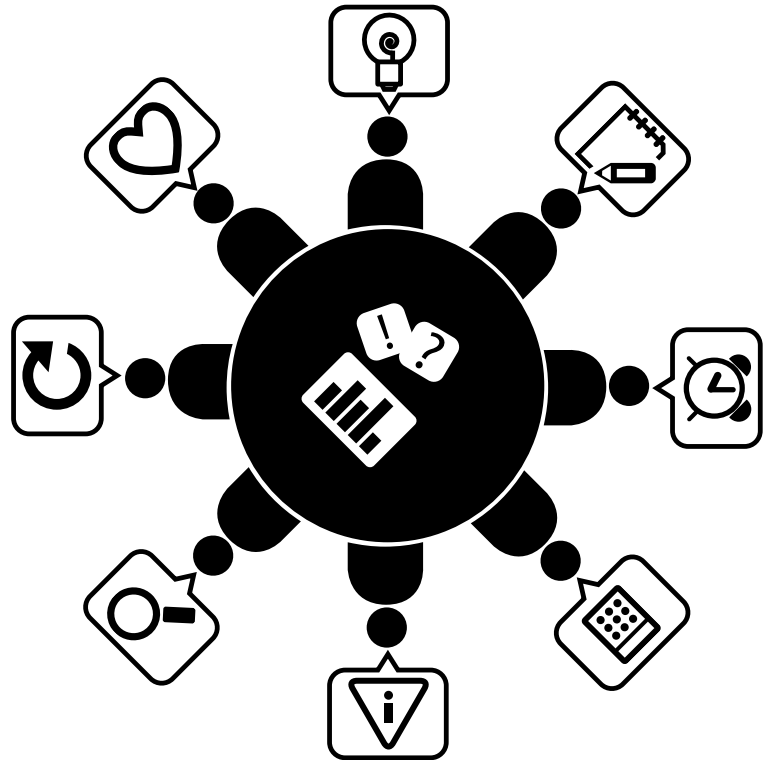
The key elements you should pay attention to when recruiting governance members are:

- A commitment to your club
- Sufficient time to devote to your club
- An understanding of the role of the governance
- A skillset match with others in the team
- Enthusiastic and interested in the club
- Good communication skills
- Leadership and listening skills
- Honesty

Volunteer Management Toolkit >> 

DIVERSITY IN LEADERSHIP

Organisations should recruit and engage people with appropriate diversity, independence, skills, experience and knowledge to take effective decisions that further the organisation's goals.



WHY IS THIS IMPORTANT?

Diverse, skilled and experienced decision-making bodies that contain independent voices and engage in constructive, open debate enable good decision-making. Ensure your leadership team has a balance of gender, ethnicities, experience and age to best represent the voice of your participants. This also brings a variety of perspectives and mental models.

It may be necessary to go out into the community and directly approach potential people as in some cultures people tend not to come forward and prefer to be invited and supported through the recruitment process. This recruitment process could take some time and clubs should be looking at succession planning to ensure there are people able to replace those moving on.

Our Participation and Membership Toolkit will help you >> 

DEFINING ROLES AND RESPONSIBILITIES

Once you have a better idea of how your organisation will be structured and the key roles you need, make sure these are clearly outlined with the areas each role will be responsible for. Be open about what the role is, what is expected, and where possible the time commitment expected. Note what skills or experience would be suitable for each role to help identify the right people. Sometimes all you need are enthusiastic and committed people!

JOB DESCRIPTIONS

Job descriptions are a great starting point that you can use and adapt to suit your club. Typical job responsibilities include tasks relating to organising, developing and delivering a varied range of sporting activities, finding funding and managing budgets, liaising and working with relevant organisations. The best job descriptions combine a little bit of marketing, the reality of the role, the necessary skills and competencies and the organization's culture. In addition, a description of the desired skills and experience required. Remember, most roles are filled by volunteers and they may have little or no experience, so training will be required, and they may need encouragement to put their hand up to take on a new role.

HERE'S HOW TO DO IT.



[Role descriptions >>](#) 



DELEGATION

It is not possible for one person on the governance or staff of an organisation to do everything therefore delegation is part of organisational life. Delegation is necessary for all of the work of an organisation to be completed. However, it is important to remember that the committee can delegate authority but not responsibility. The organisations governance team is ultimately accountable for everything that goes on in an organisation.

Depending on the nature and size of the role, delegation can be to:

- Honorary officers
- A sub-committee or advisory group
- Paid staff or volunteers

KEY POINTS FOR EFFECTIVE DELEGATION.

The following pointers are useful reminders, regardless of who you are delegating to:

1 Make it legal - Ensure any delegation is in line with your organisation's governing document and relevant legislation. Legislation will affect how you involve volunteers or recruit and employ paid staff.

2 Make it systematic - Ensure authority for delegation is clearly documented. Specify any limits to decision-making authority, financial spend and project development, without prior approval of the management committee.

3 Provide proper oversight - Ensure a reporting mechanism is in place. The committee must be careful to read written reports provided and ask relevant questions or when verbal reports are being given to ensure that the delegation they have agreed is working effectively, is within the specified parameters, and they ultimately retain control of all delegations. Ensure that the exercise of delegation is adequately monitored, having regard to the relevant knowledge, skills and experience of the delegate

4 Make it effective - Ensure the people concerned have the skills needed to carry out the task. This can either form part of the selection criteria or be addressed through appropriate training.

A good idea to include in your annual planning is to draw up a complete list of jobs, tasks and activity in the club and assign these across the members so there is an even spread of the workload. Often small extra jobs are added onto already stretched volunteers, leading to overloading and stress resulting in volunteers leaving.

Succession planning is also part of this delegation review process, ensuring there are other members in the club who can perform the tasks required, so that there is always someone to hand over to in the event of volunteer turnover.

MEETINGS

AGMS

An Annual General Meeting (AGM) is an open meeting to be held as required by the constitution.

An AGM is held every year to elect the board of directors (officers) or committee members as the case maybe and inform members of previous and future activities. It is an opportunity for the members to receive copies of the company's financial accounts, as well as reviewing performance information for the past year. It also provides the opportunity to ask any questions regarding the direction the clubs will take in the future.

Your club should be regularly electing new board or committee members as an opportunity to develop or bring in new skills, experiences and perspectives. Although there is no mandatory requirement, it is advisable that board or committee members serve no more than nine years in total. It is also a good idea to have different dates of position expiry on a rotational system so that no more than one person leaves at a time.

Most AGMs have a pre-AGM nomination process and require a proposer and a seconder for each nomination.

You might also look for new board or committee members if:

- Some of your committee members have left or are intending to leave
- Your board or committee needs further skills and experience, e.g. in areas such as

governance, finance or marketing

- You generally feel that your board or committee needs reinvigorating
- When electing or appointing new board or committee members, you should make sure that you take skills and diversity into consideration; a balance of knowledge, skills and experience across the board or committee will assist in the making of wise decisions

AGMs are open to all club members and are held to make decisions that affect what your club does and how it is run.

AGMs are an opportunity to:

- Highlight the progress and achievements of the club over the past 12 months
- Elect the Committee for the following year.
- Discuss and vote on any changes to the constitution
- Produce (and review) the club's annual accounts
- The secretary is normally responsible for planning for the AGM.
- Raise issues by members from "the floor"

Notes relating to the AGM:

- Usually the notice for an AGM is a minimum of 21 days (this should be stated in the club's constitution).
- All members should be notified and invited to make nominations for the election of officers.
- The constitution should state the minimum number (or proportion) of members needed to attend for the AGM to be 'quorate' (to be empowered to make decisions).



TIPS FOR YOUR AGM

- Make members aware of the importance of the election well in advance
- Send out a newsletter outlining the positions available and the responsibilities
- Target individuals that seem suitable for the position
- Invite members to attend committee meetings to gain an understanding.
- Allow members to nominate themselves
- Keep track of nominations in case you need to approach someone that hasn't nominated
- Allow candidates to talk at the AGM to cover what they might offer the club.

AGM guide >> 

RUNNING YOUR CLUB MEETINGS

Regular board or committee meetings are where officers meet to discuss club business and related matters on a regular, recorded basis. Discussion items may vary from meeting to meeting and range from who is coaching the team next season, to who washes the kit.

Your club constitution should state how often the board or committee meets and the minimum number of committee members in attendance needed (quorum). It is recommended that a board or club committee should meet at least monthly or at the least once every three months. During the process of setting up a board or club it may be necessary to meet more often, reducing the frequency once the club is established.

PLAN YOUR MEETING

Before you hold a meeting, ask yourself whether the meeting is necessary.

To make sure the meeting will be an effective use of everyone's time make sure you:





Items to include in an agenda could include: Welcome by the chairperson, Apologies, Confirmation of minutes of the previous meeting, Correspondence-inwards and outwards, Chairperson's report, Treasurer's report, Fundraisers report (including any resolutions), General business – anything that hasn't been covered by the chairperson or treasurer then confirmation of the date of the next meeting.

CLOSE OF MEETING

Consider serving refreshments at this stage as it can be a great way to thank everyone for their efforts and will keep the meeting fun.

RECORD YOUR MEETING

The club secretary is generally responsible for the meeting time and venue and for giving notice to committee members. The minute taker needs to make sure all key discussion points and decisions are captured and recorded together with the actions that individuals have agreed to carry out after the meeting.

Following the meeting, your club chair or other suitable committee members should review and sign the minutes, to show that they are a fair representation of the discussions. Ideally these can then be circulated to the wider club, to keep them involved in the club's affairs and promote transparency around decisions.

We have a Minutes Template available for your club to adapt and use >> 

FUNDING RESOLUTIONS PASSED AT A MEETING

Agreement to apply for funding is often a key part of a meeting. Your club meeting minutes are required to be submitted for any funding applications and need to include any resolutions passed in agreement to apply for specific funding. The resolution must contain the amount, the purpose and the proposed funding sources.

An example of a resolution could look like this:

Resolved that a request be made to the ABC Foundation for funding for the amount of \$xxx to be used for the purpose of xxxxxxxxxxxx.

I certify that the above is a true and correct copy of a resolution of the committee of xxxxxxxxxxxx.

Dated: dd/mm/yyyy

Secretary: xxxxxxxx xxxxxxxx

Proposed:

Seconded:

Minutes should be printed on your organisation's letterhead.

LOOKING FOR FURTHER INFORMATION?

There is a range of resources available to assist with the running of your club/code.

HERE TO HELP

Your Regional Sports Trust/Organisations are also here to help – please don't hesitate to contact us if you would like to talk through any of this material and/or assistance for your club and/or code.

MORE INFORMATION CAN BE FOUND AT THE FOLLOWING:

aktive.org.nz >>

harboursport.co.nz >>

sportwaitakere.co.nz >>

sportauckland.co.nz >>

clmnz.co.nz/counties >> 

Information in this toolkit is for guidance only and does not constitute formal professional advice. Where specific issues arise in your club/code, advice should be sought from the relevant expert(s) as necessary.

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