



Department of  
**Sport and Recreation**



# How to run your club

Club Business Workshop Series

Our whole  
community **wins**

# Content

In these workshop notes you will find information and advice to assist you to better understand the governance process. The content will be helpful in lifting the governance and formal management of your club.

<b>Item</b>	<b>Page</b>
Introduction	2
The key responsibilities	3
The club constitution	8
Developing policies and procedures	12
Recruitment and retention	13
Efficient and effective meetings	15

## 1. Introduction

These workshop notes have been produced by the Western Australian Department of Sport and Recreation.

A series of six workshop notes have been developed for the following topics:

- Operational planning and goal setting
- How to run your club
- Managing your club people
- Financial management
- Marketing and sponsorship
- Effective teams

A series of complementary resources packages designed for use at the state sports association and state recreation organisation level has been developed for the similar topics.

The material in these notes covers the following learning outcomes;

- The key roles, responsibilities of a board/committee member (importance of chair/club president)
- Understanding the 'constitution' and how it can assist operations
- How to develop policies and procedures to guide club operations
- How to recruit and retain committee members
- How to conduct efficient and effective meetings

The notes provide some general information on governance practices and workshop activities that will be used during the delivery of a *Governance - How to run your club* workshop which has also been developed by the Department.

The notes may also be used as stand-alone reference material to assist representatives from sports clubs who are unable to attend the scheduled workshop sessions

## 2. Key responsibilities

Governance is the system by which a club is run and controlled. It is about how a club manages its resources to good effect for both members and others who have an interest in the club. It influences how the objectives of a club are set and achieved, spells out the rules and procedures for making decisions, and determines the means of optimising and monitoring performance. In summary governance is:

- common sense and knowing what your responsibilities are
- listening to your members and responding to them
- carefully monitoring the activities and finances of your club
- attending and actively participating in club meetings
- developing some basic risk management practices for your committee and your club

It is commonly accepted that governance structures have a significant impact on the performance of sporting organisations. The *Australian Sports Commission (ASC)* recognises that effective sports governance requires leadership, integrity and good judgment. Additionally, effective governance is characterised by a series of good practices.

### CHARACTERISTICS OF GOOD GOVERNANCE

**Discipline** - commitment by the organisation to widely accepted standards of correct and proper behaviour

**Transparency** - the ease with which an outsider can meaningfully analyse the organisation's actions and performance

**Independence** - the extent to which conflicts of interest are avoided, such that the organisation's best interests prevail at all times

**Accountability** - addressing members and stakeholders' rights to receive, and if necessary query, information relating to the organisation's assets and its performance

**Responsibility** - acceptance of all consequences of the organisation's behaviour and actions, including a commitment to improvement where required

**Fairness** - acknowledgement of, respect for and balance between the rights and interests of the organisation's various stakeholders

At its core, governance is about the way a club deals with the following three key issues:

**Planning** – developing plans and determining how the details of these plans can be achieved.

**Organisational performance** - monitoring the performance of the club against its plans and targets.

**Leadership** - ensuring the club is governed responsibly with the best interests of members in mind.

Effective governance structures will mean;

- Your club *is better managed* and more efficiently organised.
- *Improved communication* - facilitating better informed members and volunteers.
- *Enhanced sustainability and growth* through careful business planning and implementation of policies and procedures to help sustain and develop your club and the sport.
- *Greater ability to attract sponsors* as they are more likely to link up with efficiently run organisations.
- *Increased membership* - as people will be attracted to a club that is being well managed.
- *An enhanced reputation* - through satisfied members raising the profile and reputation of your club.



### Activity

Think about how your club is governed.

Is the management of your club undertaken using formal procedures?

How does your club perform against the characteristics of good governance shown in the table that follows

Characteristic	Your club's situation
Discipline – are standards, systems and procedures in place?	
Transparency – is it clear to all how the club is managed and run?	
Independence – is there a proper process to manage conflicts of interest?	

<p>Accountability – are decisions communicated throughout the club and board and committee members held accountable for these decisions?</p>	
<p>Responsibility – are all club members held accountable for their actions?</p>	
<p>Fairness – are the rights of all club members recognized and respected?</p>	

The governance structure of most clubs is based on a standard board or committee of management model.

The majority of the board is generally elected by its members - however it is becoming more common for boards to also allow for a number of appointed positions. These appointed positions allows a board to identify key skills such as financial management or marketing and to look for people inside (and outside) the club with these skills who may be appointed to the board.

While the model of governance may vary for different clubs, there are common core roles and functions of governance that need to be considered by every club.

The board's primary responsibility is one of trusteeship on behalf of its members and ensuring that the club remains viable and effective in the present and for the future.

The core functions of a board or committee should be:

- setting and monitoring the club's mission, purpose, direction and priorities
- regularly scanning the environment in which the club operates to ensure that what it's attempting to achieve remains relevant and achievable
- monitoring the club's programs
- actively involving members in setting and monitoring the club's direction and activities
- maintaining positive relationships with people and organisations inside and outside the club
- being accountable to the club's members

- managing risk
- ensuring the board complies with all legal and governing body requirements
- managing finances
- reporting to members
- planning for succession

All the roles on a board or committee should be clearly defined and new members should know what is expected from them prior to appointment.

There are obviously key roles on a board such as president or chairperson, secretary and treasurer, but all board roles need to be defined. Effective boards ensure that the responsibilities and work load are shared.

The importance of strong and effective leadership at the club level cannot be overstated. Those clubs with enthusiastic and motivated presidents or chairpersons who follow formal and proper procedures are often the clubs that perform well with regard to membership, finances and competition success.

The points below list the characteristics, attributes and typical activities that together produce an effective and efficient president or chairperson.

What makes a good club president or chairperson?

- Provides leadership
- Makes sure the club adheres to all its legal, constitutional and governing body requirements
- Leads the club's agenda and ensures a focus on plans and objectives
- Encourages members to participate in meetings and activities
- Keeps the board discussion on topic
- Keeps the board's focus on key issues
- Ensures an effective decision-making process is in place
- Evaluates board performance
- Encourages improvement and identifies and rectifies deficiencies
- Recognises and rewards member contributions
- Plays the leading role in promoting and marketing the club
- Leads the reporting to members throughout the year and at the AGM



### Activity

Consider the list above and think about the board or committee of management at your club.

Is the board or committee of management displaying the characteristics, attributes and performing the typical activities listed?

Is there room for improvement and what needs to happen to produce this improvement?

### 3. The club constitution

The majority of clubs are incorporated as Associations under the *Associations Incorporation Act*. Incorporation under the *Act* will give your club certain legal advantages in return for accepting certain legal responsibilities.

Incorporation provides sporting clubs with a simple and inexpensive means of becoming a legal entity. This helps protect individual members from the debts and liabilities of the club, and establishes an entity which is considered at law to have a distinct identity that continues, despite changes to its membership.

If your club is not incorporated, it is the individual members and officers, rather than the club, who will be held personally responsible for any debts or other liabilities. For the protection of your individual members and officers it is a sensible thing to become incorporated.

Before it can become incorporated a club must meet a number of legislated requirements and statutory obligations. These are shown in the box below:

The procedure for registering an incorporated association is fairly simple and involves a few basic steps. The key steps are:

- Hold an initial meeting to obtain members' approval for incorporation;
- Determine a suitable name and check that the group is eligible for incorporation;
- Develop a set of rules (there are Model Rules available);
- Hold a meeting to formally pass a resolution to adopt the rules and approve the proposed name of the association;
- Advertise your intention to incorporate; and
- Complete and submit the application.

### A constitution

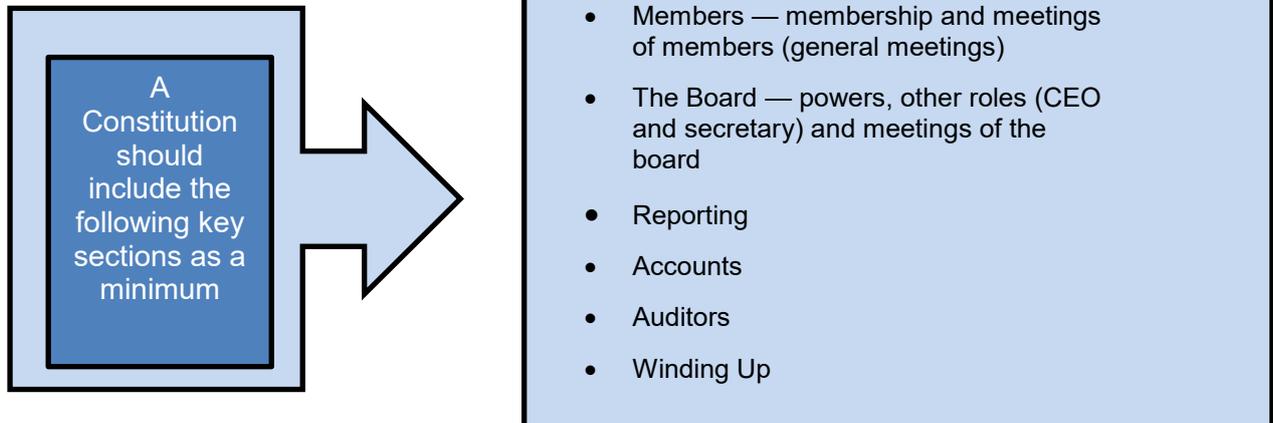
- Explains to members and non-members what your club is about.
- Provides guidelines for the daily running of your club.
- Helps to sort out internal problems.
- Are legal necessities if your club wishes to become incorporated.
- Can help in seeking resources from other organisations, such as a government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

A constitution is usually comprised of two parts;

- the rules which include the basic principles of the club 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.



**Board charter** - A board charter is a one-source document which clearly sets out how the board performs its role. Second to the organisation's *constitution*, a *board charter* is a key governance policy document which defines the respective roles, responsibilities and authorities of the board and management in setting the direction, the management and control of the organisation. A formal charter is important, as it provides a framework for the board's operations and a powerful tool to contribute to its effective and efficient operation.

A board charter ensures:

- the roles and responsibilities of the board are clear and understood by all club members and others with an interest in the club operations
- the operation of the board and the management of the club are clearly defined
- board members will have a clear understanding of the manner in which the board will conduct itself and the organisation's expectations of them

A charter does not need to be a complex or lengthy document. It should set out in simple and easy-to-read terms how the club will operate and describe the basic matters that will be considered in the management of the club.

A suggested structure for a board charter is outlined below;

<b>THE STRUCTURE OF A BOARD CHARTER</b>			
<b><i>Section 1 Defining governance roles</i></b>	<b><i>Section 2 Guidelines for board process</i></b>	<b><i>Section 3 Key board functions</i></b>	<b><i>Section 4 Continuing improvement</i></b>
<ul style="list-style-type: none"> <li>• The role of the board</li> <li>• The role of individual board members (including conflicts of interest)</li> <li>• Role of the chair</li> </ul>	<ul style="list-style-type: none"> <li>• Board meetings</li> <li>• Conduct of meetings</li> <li>• Board minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Delegation of authority</li> <li>• Public representation</li> <li>• Execution of documents</li> <li>• Management of club finances and details such as Cheque signing</li> </ul>	<ul style="list-style-type: none"> <li>• Board evaluation</li> <li>• Board member development</li> <li>• Succession arrangements</li> </ul>



Activity

Do you have a board or committee of management charter at your club? You may call it something different such as a club procedures manual.

Does your charter or manual clearly set out the key activities and details for the operation of your club?

Look at the table on the next page and rate your club against the sections.

Sections	How my club rates and what actions we need to take
Governance roles – are the board position clearly defined and documented? Does everybody know what their role is?	
Governance process – does the club conduct its meetings in a proper way?	
Governance functions – are formal procedures in place to support the way the club operates? Are these procedures written down in a manual or charter?	
Governance improvement – is there a formal process in place to look at how the club improves the way it does things? Does the club focus on the future?	

#### 4. Developing policies and procedures

The next step in establishing an efficient and effective club operation once a constitution and charter is in place is to document the club's key policies and procedures.

Many clubs rely on their constitutions almost exclusively for guidance on governance responsibilities and processes. This is an important starting point but does not go far enough. A constitution and charter needs to be interpreted and made operational. The establishment of a charter is the start of the process, but clear, straightforward and simple written procedures are also required.

A club may have written policy statements or simple procedures for things such as:

- Membership rules, categories and fees
- Coaching requirements
- Parent and player behaviour
- Fair play and sporting behaviour
- Ground usage
- Team presentation and dress codes



##### Activity

Think about the range of activities performed at your club.

Are there written policies and procedures in place?

If yes, are they appropriate, straightforward and easy to understand?

If not, think about an activity you could develop a short procedure for.

##### Example of a policy:

Fee policy- all fees are to be paid before the first fixture of the season.

##### Example of a procedure:

The minutes of the previous month's meeting is distributed to committee members within one week . The monthly meeting agenda is circulated to committee members two weeks prior to the next meeting

## 5. Recruitment and retention

One of the biggest challenges for clubs is to ensure that their board is both representative of its members and appropriately skilled and experienced to govern the organisation. Many clubs are guilty of using the “*tap on the shoulder*” method for recruiting board or committee members. Planning for the recruitment of new members and setting guidelines to manage the process will place your organisation in a much stronger position for a higher level of performance.

Even though a sport or recreation club is probably not a company or may not operate with very formal procedures it is important to use a systematic and deliberate process when addressing board and committee member recruitment. The main steps are outlined below.

### Phase One: Needs assessment

- Confirm the number of positions to be filled.
- Confirm the roles, the activities and the skills required.
- Align the roles to the club’s goals and objectives.
- Identify current members who may have the skills required.
- Look for external candidates who may have the skills required.



### Phase Two: Recruitment

- Approach suitable candidates and seek nominations.
- Formalise nominations and the selection process.
- Consider the direct appointment of members with specific skills (if your constitution allows this).
- Appointment and induction



### Phase Three: Succession planning

- Review the board’s performance and composition.
- Maintain a needs matrix and a current member profile by activities and skills.
- Maintain a list of prospective new board members from within the club membership.
- Identify suitable external candidates
- Constantly update the ‘potential member’ list.

A formal induction process that provides an introduction to the club and its operations allows new members to be properly informed, supported and welcomed to the board from the time of their appointment. A board induction process could strongly influence a new member's experience with a contribution to board activities coming sooner following a comprehensive induction process. The induction process should aim to provide new board members with the necessary information and training to:

- Better understand the club, the operating procedures and the club's objectives
- Better understand the history and current position of the club
- Contribute effectively to board discussion and decision making
- Make informed decisions
- Understand their roles and responsibilities as a board member
- Get to know fellow board members
- Create a more enjoyable and rewarding experience

The club president or chairperson should be responsible for the delivery of the induction process and the board may also wish to nominate a mentor to assist the newly appointed member. If newly appointed members are assigned a mentor who is already on the board, they are more likely to feel welcomed into their position, included into group dynamics, have greater self-confidence and feel better informed to contribute to discussion.

The retention of board or committee members for an extended period is a challenge for most clubs. Volunteers usually 'do their stint' and then are happy to move on and pass the responsibility to someone else.

A club with a formal process for identifying and appointing board members and a similar process for informing and inducting board members will be better managed.

It is likely that a club that develops and uses more formal processes will retain members in positions for longer periods.

Regardless of the support provided to board and committee members there is always a need to renew and refresh membership and as such a formal succession planning process should also be a feature of a well-managed club.



### Activity

Think about the processes you currently use at your club to recruit and retain board and committee members.

Do you use formal processes and procedures?

Do you have a succession plan in place?

What do you need to do to improve the way your club attracts board and committee members?

## **6. Efficient and effective meetings**

The boards and committees at sport and recreation clubs need to invest time into constantly nurturing a positive culture to prevent conflict amongst its members and to ensure that they are best serving the interests of their members.

*“The Australian Sports Commission Governing Sport – The Role of the Board (ASC, 2005) - identified that one of the greatest challenges facing boards is the ability to achieve consensus and cohesion while at the same time encouraging diversity and legitimate dissent.”*

One of the best ways to ensure a board or committee works well is to set some clear guidelines for meetings, to agree on these guidelines and to stick to them!

The importance of making board meetings focused and productive and the influence this has on shaping member behaviour should not be underestimated. A board meeting should be stimulating, challenging and satisfying.

Board meetings should focus on two core elements:

- Consideration of key issues that impact on the club's current and future operations and the things that may stop the club achieving its goals and objectives; and
- Identification of risk factors that could impede or disrupt the organisation's ability to operate efficiently and the development of strategies to manage these risks

Boards typically get 'bogged down' in detailed discussions about day-to-day club activities without paying adequate attention to items with longer-term significance. A balance is needed to ensure the day-to-day management and governance of the club is dealt with adequately but not at the expense of dealing with 'bigger picture' matters.

Efficient and effective meetings happen when there is:

- an appropriate meeting agenda which allocates sufficient time to each agenda item
- competent management of the information flows to the board members prior to the meeting to support agenda items
- management of the discussion to ensure decisions reached in a timely manner, are clearly understood by all members and are appropriately recorded.

The following diagram shows the various components that need to be considered in the establishment of effective meeting procedures.

<b>A strong focus on important issues is aided by;</b>	<b>Avoiding common pitfalls in meeting content including;</b>	<b>The chairperson's role is to;</b>
<ul style="list-style-type: none"> <li>• effective meeting planning and strong meeting management;</li> <li>• appropriate, concise board papers which get to the heart of matters;</li> <li>• prior exploration of the issues;</li> <li>• good preparation by each board member;</li> <li>• the ability of board members to ask probing questions;</li> <li>• self-discipline and concentration by meeting participants</li> </ul>	<ul style="list-style-type: none"> <li>• revisiting earlier decisions through the minutes or matters arising;</li> <li>• tabling unnecessary correspondence;</li> <li>• requests for permission (flawed delegation);</li> <li>• unnecessary financial reports and approvals; and</li> <li>• presentations that are irrelevant to the content of the meeting (time-wasters).</li> </ul>	<ul style="list-style-type: none"> <li>• prepare well, screen issues and plan the agenda;</li> <li>• keep discussion on topic and focused on agenda items;</li> <li>• manage the time of the meeting;</li> <li>• ensure the discussion is timely, fair, orderly and thorough; and</li> <li>• manage conflict and provide a summary of the meeting's accomplishments</li> </ul>

A good meeting agenda will serve as a guide to participants, making the meeting more efficient and productive by encouraging the group to think about what needs to be accomplished.

To help develop an agenda for a purposeful meeting you need to consider the following:

- *What decisions need to be made?*
- *Are there matters coming out of other club committees or groups that require a board decision?*
- *Are all items accompanied by clear recommendations for action?*
- *What items require noting?*
- *Put the most urgent items at the beginning of the agenda where the board members are 'fresh' and in case the meeting has to break with unfinished business.*
- *It can be a good idea to put time allocations next to items, more or less depending on their importance. Give the important things the time they need.*
- *Don't make the agenda too long. A meeting should not run for more than two hours. After that people are tired and unproductive*

In every club board and committee meetings are likely to get a little 'off track' from time to time and boards may find it necessary to reflect on current meeting practices in order to re-focus.

The following points outline some of the key features of a productive and well-managed board meeting that can be used as a quick audit to check how your club's board or committee of management is meeting processes are working.

#### **FEATURES OF AN EFFICIENT BOARD MEETING**

- *Board meetings start and finish on time.*
- *The agenda is distributed to board members with sufficient time to read and respond if necessary.*
- *Everyone thoroughly reads the meeting agenda and any papers prior to the meeting.*
- *The Chairperson ensures that the agenda is followed and that meetings run on time.*
- *The Chairperson invites and includes all members to participate in discussion.*
- *Members are respectful of the Chairperson's authority.*
- *Debates are robust and conducted in a courteous manner.*
- *Member's contributions are relevant and concise focusing on strategic issues rather than operational matters.*
- *Members are happy to accept collective decisions even when they have been voted against.*

It is important that all the elements of good governance are in place if a club wants to operate efficient, effectively and in compliance with all its legal, constitutional and governing body requirements.

The following checklist identifies the elements your club should have in place. Check your club's current situation against the list. Identify those things you do well and those things that could be improved.

Good governance elements	Current club situation – doing well or needs improvement
There is a formal constitution in place	
The board operates to a strategy or plan	
There is a charter or procedures document written	
There is a diverse mix of skills and experiences on the board	
There is a formal induction process in place for board members	
Ethical, legal and financial responsibilities are understood	
Conflicts of interest are declared and managed	
Meetings are well organised and time is used efficiently	
Appropriate risk management strategies are in place	