

## Principles of Policy Governance for a non-profit Society



- 1 Ownership:** The board connects its authority and accountability to those who morally own the organization. "Owners," as used in the Policy Governance model, are not all stakeholders, but only those who stand in a position corresponding to shareholders in an equity corporation. The board links to the moral owners to determine the Ends and the Executive limitations policies. *The KHC board decided that the citizens of Kicking Horse Country are the "moral owners" of the Society.*
- 2 Governance Position:** With the ownership above it and operational matters below it, governance forms a distinct link in the chain of command or moral authority. The board's role is commander, not advisor. It exists to exercise that authority and properly empower others rather than to be management's consultant, ornament, or adversary. The board—not the staff—bears full and direct responsibility for the process and products of governance, just as it bears accountability for any authority and performance expectations delegated to others.

- 3 **Board Holism:** The board makes authoritative decisions directed toward management and toward itself, its individual members, and committees only as a total group. That is, the board's authority is a group authority rather than a summation of individual authorities.
- 4 **Ends Policies:** The board defines in writing the (a) *results, changes, or benefits that should come about for* (b) *specified recipients, beneficiaries, or other targeted groups*, and (c) *at what cost or relative priority for the various benefits or various beneficiaries*. These are not all the possible benefits that may occur, but are those that form the purpose of the organization, the achievement of which constitutes organizational success. Policy documents containing solely these decisions are categorized as "Ends" in the terminology of the Policy Governance model.

*In June 2015, after a 7 month ownership linkage process, the KHC board defined the Global End as:*

*Kicking Horse Culture exists so that Kicking Horse Country values arts and culture at a use of resources that demonstrates good stewardship of funds received.*

- 5 **Board Means Policies:** The board defines in writing those behaviours, values-added, practices, disciplines, and conduct of the board itself and of the board's delegation and accountability relationship with its own subcomponents and with the executive part of the organization. Because these are non-ends decisions, they are called "board means" to distinguish them from ends and staff means. In the terminology of the Policy Governance model, documents containing solely these decisions are categorized as *Governance Process* and *Board-Management Delegation*.
- 6 **Executive Limitations Policies:** The board makes decisions with respect to its staff's means decisions and actions only in a proscriptive way in order simultaneously (a) *to avoid prescribing means* and (b) *to put off limits those means that would be unacceptable even if they work*. Policy documents containing solely these decisions are categorized as "*Executive Limitations*" in the Policy Governance terminology. *Therefore the lead staff person of KHC is directed and monitored to achieve the Ends within a reasonable interpretation of the limitations set out in the Policy.*
- 7 **Policy "Sizes":** The board's decisions in Ends, Governance Process, Board-Management Delegation, and Executive Limitations are made beginning at the broadest, most inclusive level and, if necessary, continuing into more detailed levels that narrow the interpretative range of higher levels, proceeding one articulated level at a time until it is satisfied that any reasonable interpretation

of compliance with the policy is acceptable. These documents are exhaustive, replacing or removing the necessity of board expressions of mission, vision, philosophy, values, strategy, and budget. *KHC still uses our Mission—“to engage, energize, and enrich the cultural life of Kicking Horse Country”—in our branding materials and the board has created Ends that resonate with the Mission.*

- 8 Delegation to Management:** If the board chooses to delegate to management through a chief executive officer, it honours the exclusive authority and accountability of that role as the sole connector between governance and management. In any event, the board never delegates the same authority or responsibility to more than one point.
- 9 Any Reasonable Interpretation:** In delegating decisions—beyond the ones recorded in board policies—the board grants the delegatee the right to use any reasonable interpretation of those policies. In the case of Ends and Executive Limitations when a CEO exists, that delegatee is the CEO. In the case of Governance Process and Board-Management Delegation, that delegatee is the CGO (Chief Governance Officer.) *Carver PG uses CEO as the default term for the chief executive officer. For KHC, CEO means the Executive and Artistic Director, E&AD.*
- 10 Monitoring:** The board monitors organizational performance solely through fair, systematic, and regular assessment of whether a reasonable interpretation of its Ends policies is being achieved within the boundaries set by a reasonable interpretation of its Executive Limitations policies. *For KHC, our Ends policies are monitored annually in October while monitoring of the Executive Limitations policies are monitored throughout the year.*