



## Memo from the Variety Board

### Overview of Proposed 2020 Bylaw Changes

#### Background

Variety BC respects and values our donors, members (Barkers and Honorary Barkers), directors, and other volunteers - whose stellar efforts over the years have helped us raise millions of dollars for children. We are continuing with Variety Week, Variety at Work and our other programs, and we want to boost the participation of our volunteers in those programs.

We are also completing our transition toward a modern, best-in-class governance system. The recommended changes to our governance system require an update to Variety's existing bylaws. The Board has approved a new set of bylaws (see attached) to ensure Variety is meeting and exceeding the governance practices of contemporary charitable organizations, and the Board recommends that the members adopt them.

In order for the membership to endorse these changes the Board has called a general meeting to take place on October 30, 2020.

#### Basis: Societies Act Model Bylaws

The proposed new Variety bylaws are based on Societies Act Model Bylaws. Variety is incorporated under BC's Societies Act (SBC 2015 C.18), which provides for Model Bylaws for societies. The Societies Regulation (B.C. Reg. 216/2015) contains the Model Bylaws.

The Societies Act Model Bylaws are based on many decades of experience, across many societies. They contain straightforward, streamlined provisions that are easy to use and understand, and have proven to work well for good organizational governance.

## Key specific differences

There are many differences between the proposed new bylaws (which are almost identical to the Model Bylaws<sup>1</sup>) and the existing bylaws. Some key differences, as identified by the Board of Directors and external independent reviewers, include the following:

1. Rather than repeating some of the rules of the Societies Act, the proposed new Variety bylaws expressly refers to and adopts those rules. This helps to make the new bylaws shorter and easier to read, and helps to avoid potential conflicts between the Act and the bylaws arising from future Act amendments. (This is in the new bylaws section 1.3.)
2. Some of the matters addressed in the existing bylaws will instead be addressed in Board policies and Board Committee Terms of Reference. This change will reduce the effort, delay and distractions involved in making minor adjustments. For example, if the board wished to amend the rule that missing three board meetings results in expulsion to instead say four meetings, it can simply amend a board policy, rather than having to convene an AGM and then submit revised bylaws to the BC government, which only becomes effective if and when registered.
3. In the new bylaws, quorum for general meetings is 6 voting members or 50%, whichever is greater, rather than the 25 in the existing bylaws. (New bylaws section 3.7, compared to section 3.6 of the existing bylaws.)
4. The new bylaws do not set rules for non-voting (honourary) members. This makes no difference in practice, as it is still open to Variety to create non-voting memberships, as well as various categories of volunteers and donors. (Old bylaws s.2.1 and 2.3.)
5. The new bylaws do not prescribe rules for nominating or vetting new prospective members; this is something that can be done without being mentioned in bylaws. The board has the policy-making and decision-making power to admit members under both the new and the existing bylaws. (New 2.1, old 2.2.)
6. The new bylaws provide for a range of directors (8 to 16) rather than a fixed number so that the board can adjust its recruitment and size to reflect current needs, skills, community leadership representation and other factors. (New 4.1, old 4.1.)
7. Director terms can be extended for an extra year when members appoint the Board (the Board wishes to be able to extend terms by one year if a Director was appointed to an officer position in the second year of a two-year term). (New 4.2, old 4.1.)
8. The new bylaws state that voting members elect or appoint the board at the AGM, and do not specify a particular process for nominations. (New 4.2, old 4.2.)
9. The new bylaws allow for a new director to be appointed to fill a vacancy for a portion of a departed director's term. The existing bylaws do not mention this, but the Societies Act (s. 50) allows this in the case of removal. (New 4.3 and 4.4.)
10. The maximum consecutive years of board service has been set at six years, and ten years total, by board policy, rather than the 10 years listed in the existing bylaws (Old 4.2(d).)

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<sup>1</sup> For differences, see Appendix - Differences between proposed new Variety bylaws and Societies Act Model Bylaws.

11. The Directors have the general powers and the duty under the Societies Act (s.52) to oversee management of the society, rather than the list of specified powers in the existing bylaws (Old s.5.1 (a)-(h).)
12. Officers can be appointed for longer terms (the Board decided on two years) in order to gain experience and become effective in their positions, rather than being limited to one year, and are not limited to taking office on January 1. (New 6.1, old s.5.3.)
13. There is no Second Assistant Vice Chair. (New 6.1, old 5.3.)
14. Rather than setting out detailed provisions around, for example, board proceedings, committees, Heart of Variety, banking and auditors, the new bylaws say that the directors may regulate their meetings and proceedings as they think fit. The Societies Act provides that Directors manage or supervise the management of the organization (s.52) and contains relevant other provisions (e.g. auditor, s.111). The board can adopt such provisions as a matter of policy and avoid the time-consuming and distracting amending processes if changes are needed. (New 5.4; old 6.1 to 6.7, 7.1 to 7.9, 9.1, 9.2., 10.1-10.4, 12.1, 12.2, 14.1 to 14.4.)
15. Rather than setting out detailed rules about Director indemnification but stating that they are in any event subject to the Societies Act, the new bylaws simply rely on the Societies Act. (Old 6.6).

## Appendix - Differences between proposed new Variety bylaws and Societies Act Model Bylaws

The proposed new Variety bylaws use the Societies Act Model Bylaws where possible. There are a few minor differences, tailored for Variety, specifically:

1. The words Chair and Vice Chair are used in the proposed new bylaws, rather than the Model Bylaws' use of President and Vice President. This adds focus to the role of leadership of the Board of Directors (organizational leadership is a partnership of leadership of the Board of Directors by the Chair, and leadership of the staff by the CEO, who is supervised by the Board). (This difference occurs in several sections of the new Variety bylaws.)
2. Quorum for general meetings is 6 members or 50%, rather than 3 voting members or 10% in the Model Bylaws, in order to set a standard for good attendance and encourage improvement when needed (section 3.7 of the new bylaws).
3. The range of the number of directors on the board is 8 to 16, rather than 3 to 11, in order to better reflect current Variety practice (s. 4.1)
4. Having someone other than the Chair call board meetings, and calling meetings last-minute when not everyone agrees, should both be rare situations, so:
  - a. the minimum number of directors (other than the Chair) required in order to call a board meeting is 3 rather than 2; (s. 5.1) and,
  - b. The required notice of meeting (other than when all directors agree to waive notice) is 14 days rather than 2 days. (s. 5.2)
5. Section 1.3 amended to add that, where silent, the bylaws adopt the relevant provisions of the Act.

6. Section 2.1 amended to say the board determines who is a member and may accept and terminate memberships.
7. Section 3.13 amended to add fax, email or other electronic means to the voting methods.