

June 2005

What Does The Board Really Do?

How many prospective Directors do you think have read the Operations Manual or the Director's Handbook before they are elected? How many prospective BoD members think they will become managers of the Club's business and/or managers of their Division's business when they are elected to the BoD? Well, the answer to the first question may not be zero but it's close, and the answer to the second question, regrettably, is far from zero. So, what is the distribution of responsibility and "power", if you want to call it that, between club management, headed by the President Steve Johnson, and the Board of Directors, presently chaired by me? These are great questions, and here are some answers.

The Bylaws say that the "Affairs and property of the Club shall be managed by a Board of Directors"; the ops manual says that "The Board exercises its responsibilities by acting primarily as a policy-making body"; and the Directors Handbook says of the Board that (sic, following quote) "It (a) authorizes major corporate actions, (2) gives advice to corporate management, (3) assures that there are effective auditing procedures so that the board is adequately informed of the corporation's financial status, (4) reviews the corporation's investments at regular intervals to insure that they comply with all applicable provisions of law, and (5) monitors the performance of management, setting and measuring management's results against them."

As a practical matter, the business of the club, i.e., the generation of revenue and its expenditure in the pursuit of further revenue is handled by management and reviewed by the Board for conformance to goals and objectives approved by the Board. The Board itself hires (and fires) the President and manages "member activities" through a series of subordinate boards and committees such as the Club Racing Board, the Solo Events Board, and the Club Rally Board. Board members do not have any role whatever in managing the professional staff of SCCA, other than through interaction with the President, and no Board member manages activities of his Division, unless the Division itself appoints the Director to exercise such responsibilities.

That was brief, but I hope it was helpful, and it may have been an eye-opener.

See you at the track!

Gary