

TTRA New Board Member Training Session

Selected Notes

July 28, 2010

Purpose of Associations:

“Associations are joint-action organizations. They are formed to help members achieve their common goals, while at the same time observe the legal and ethical restraints a democratic society imposes on businesses and professions.” Jacobs, Jerald A., Association Law Handbook, page 2, American Society of Association Executives, Washington, DC.

The goal of a professional or trade association is to provide member value and to have a positive impact on the profession or industry the association serves.

Purpose of the Board:

Subject to provisions of the Michigan non-profit corporation act and any limitations in the Articles of Incorporation and TTRA Bylaws relating to action required to be approved by the members, the business and affairs of the corporation shall be governed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.

The Role of the Board

The role of the board is to govern, the role of Management team is to implement, while the role of committees is to advise. Committees perform three functions (1) to advise the board, (2) to advise the Management team and (3) to serve as a volunteer core to assist in implementation.

Governance

“To govern means to play the leading role--in partnership with the CEO and senior managers--in continuously answering three fundamental questions, thereby determining the shape and course of the organization:

1. Where should our organization be headed and what should it become over the long run?
2. What should our organization be now and in the near future?
3. How well is our organization performing--programmatically, financially, and administratively? “

Eadie, Doug, High-Impact Governing in a Nutshell: 17 questions that board members and CEOs frequently ask, page 16, American Society of Association Executives, Washington DC

Organization Purpose

TTRA shall be a nonprofit organization whose major purpose is to increase the quality, value, effectiveness and use of research in travel marketing, planning and development.

Bylaws of the Travel and Tourism Research Association, Article II, Purpose

Strategic thinking and planning

“Strategic thinking assesses the future effects of outside forces on the organization. A key component is gathering information and opinions from important constituencies to give planners a solid basis for decision making.”

“Strategic planning creates the association’s future based on strategic thinking. It includes developing a vision of the future and identifying what the association needs to do today to achieve the vision.” Cox, John, B., Professional Practices in Association Management, Page 19, American Society of Association Executives, Washington DC.

The Goal of Strategic planning

“This (process) uses the environmental scan to develop a mission statement, identify goals and objectives and adopt a strategy for achieving them ... (it) must do the following:

- Focus on meeting core member or customer needs
- Be a process, not an event
- Be continuous
- Address outcomes
- Be based on research, not opinions of the few
- Be done by small groups with large—group input”

Cox, John, B., Professional Practices in Association Management, Page 19, American Society of Association Executives, Washington DC.

Fiduciary Duty, Conflicts, Confidentiality

“Those who serve as volunteers in unpaid positions for associations—officers, directors, chairs, etc.—have legal obligations to their associations and can be held responsible for failing to honor those obligations”

“One obligation is the fiduciary duty owed to the association by the volunteer. It requires the exercise of reasonable care in performing functions from the association—exhibiting honesty and good faith.”

“The fiduciary duty of an association volunteer also includes the corporate opportunities doctrine—avoiding the expropriation of programs and activities, particularly business prospects, that properly belong to the association.”

“Specifically, the volunteer is prohibited from expropriating corporate opportunities.”

“A second major responsibility of association volunteers is the obligation to avoid conflicts of interest. This is related to the duty of loyalty, part of the fiduciary duty of the volunteer. One must provide undivided allegiance to the association and its mission”

“A third responsibility of association volunteers relates to confidential information. The volunteer must maintain in confidence whatever information the association desires to keep confidential and that it treats as confidential.

Jacobs, Jerald A., Association Law Handbook, pages 78-82, American Society of Association Executives, Washington, DC.