



# **BOARD OF ADVICE PROCEDURES**

THE GLADSTONE FOUNDATION

**March 2011**

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## Attachments

No.	Document
A	Code of Conduct
B	Conflicts of Interest Policy

# 1. PURPOSE

The purpose of this document is to set out the functions, processes and procedures for the Board of Advice for The Gladstone Foundation (the Foundation).

## 2. FUNCTIONS AND ROLES

### 2.1 BOARD OF ADVICE FUNCTIONS

As outlined in the Foundation Trust Deed and associated Board of Advice Terms of Reference, the key role of the Board of Advice is to provide advice and make recommendations to the Trustee. The board does not have any decision-making power in its own right.

More specifically, the board is to:

- (a) promote and market the Foundation to the community and the key stakeholders (including potential donors);
- (b) bring a wide community perspective reflective of the Members' background, skills and experience to the Trustee's administration and management of the Foundation;
- (c) make recommendations to the Trustee regarding the distribution of capital and income from the Foundation in pursuing the Specific Purposes;
- (d) comment and assist where possible in identifying opportunities for the Foundation;
- (e) provide recommendations as to suitable key indicators of financial performance of the Foundation and its activities;
- (f) liaise with the Gladstone Region Community Development Committee in its role to provide the board with expert advice and local content and context regarding social infrastructure and programs;
- (g) monitor and regularly report to the Trustee on the impact and effectiveness of the Foundation in achieving its objectives;
- (h) review, assess and comment on the strategic direction to be taken by the Foundation and to enhance the achievement of its activities in pursuing the Specific Purposes;
- (i) provide advice and recommendations in relation to the overall governance of the Foundation including its strategic direction and goals for management, and monitoring the achievement of these goals;
- (j) provide direction to the Foundation Secretariat established pursuant to clause 13.5(a) of the Trust Deed;
- (k) assist and, where practical, locate and make recommendations to the Minister and the Trustee as to the best possible candidates for potential Members of the Board of Advice; and
- (l) generally to take an effective advisory role in relation to the Foundation.

### 2.2 ROLES AND RESPONSIBILITIES

The Foundation Trust Deed provides that the board will comprise at least six and not more than ten members and that in appointing members the Trustee will use his best endeavours to appoint members from:

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- the Queensland Government;
- the local government of the Gladstone Region;
- the business sector of the Gladstone Region;
- community or philanthropic representatives from the Gladstone Region; and
- industry donors to the Foundation.

The Chairperson is to be independent of Government and the Foundation's key stakeholder groups.

Four initial appointments to the board will be made by the Minister for Infrastructure and Planning and included in the Trust Deed with the remaining appointments to be made within six months of the Foundation being established. Thereafter, appointments will be made by the Trustee in consultation with the Minister.

The Chairperson is responsible for leadership of the board and the efficient organisation and conduct of the board. The roles and responsibilities of the Chairperson in this regard include:

- working with industry proponents to develop the donations framework;
- chairing board meetings;
- taking a lead role in setting direction and monitoring activities of the Foundation;
- facilitating the effective contribution of all board members in the Foundation's work;
- promoting constructive and respectful relations between board members;
- ensuring that meetings are conducted efficiently and that proper procedures are in place;
- welcoming and inducting new board members;
- acting as a spokesperson for the board and the Foundation to the media, government, business and community agencies; and
- representing the board and Foundation at functions and events.

### **2.3 SECRETARIAT**

A secretariat will be established to support the Foundation and the Board of Advice. The functions of the secretariat include:

- secretariat services for the board and any of its committees (that is, preparing meeting agendas, taking minutes etc);
- administration of secretariat funding;
- receipt and preliminary assessment of grant applications and, co-ordinating grants;
- public relations and marketing of the Foundation including maintenance of a Foundation website and liaison with donors and grantees;
- regulatory compliance;
- distribution compliance functions such as: ensuring all grant criteria are properly applied; monitoring compliance with grant terms and conditions;
- preparation of annual reports (discussed further below);
- general corporate support including data entry, record keeping, handling inquiries etc.

In accordance with its overall purpose, administrative costs associated with the Foundation should be minimised as far as practicable to ensure that funds available for disbursement to grantees are maximised.

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The secretariat function is to be performed by an officer/s co-located with the Gladstone Economic and Industry Development Board.

### **3. BOARD PROCESSES**

#### **3.1 BOARD MEETINGS**

##### **3.1.1 *Frequency***

The board may meet and conduct its proceedings as it considers appropriate. However, the board must meet formally at least four times each year and the first meeting must be held within three months of the Foundation being established.

The board's secretariat is responsible for tasks such as:

- issuing notices of meetings in conjunction with the Chairperson detailing dates, times and venues for meetings; and
- preparing papers for board meetings and circulating them to board members at least five working days prior to the relevant meeting.

If the Chairperson receives a written request signed by two members of the board, the Chairperson must call a special meeting of the board giving at least 10 days' notice of the meeting. The notice of a special meeting must state:

- why the special meeting is called;
- the date, time and place of the meeting; and
- the business to be conducted at the meeting.

The board may meet in person, by telephone or by using other technology consented to by board members.

##### **3.1.2 *Quorum***

At a board meeting, at least 50% plus one of the members appointed to the board constitutes a quorum.

If a quorum is not present within 30 minutes after the time fixed for the commencement of a board meeting, the meeting is to be adjourned to:

- the same date, time and place in the next week; or
- a date, time and place decided by the board.

Notice must be given to all members to attend the adjourned meeting.

##### **3.1.3 *Voting***

Matters are to be decided at a board meeting by a majority vote of board members present at the meeting. If the votes are equal, the question is to be decided in the negative.

Each member present is entitled to one vote only and must vote in person. Voting may be by a show of hands unless any member present demands a secret ballot.

The result of the secret ballot as declared by the Chairperson is taken to be a resolution of the meeting at which the ballot was held.

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### **3.1.4 Proxies**

Board members cannot appoint proxies to attend board meetings in their absence except in exceptional circumstances and with the board's approval. A proposed proxy should wherever possible have a similar representative role to that of the board member.

The appointment of a proxy must be in writing, signed by the appointor and provided to the chairperson for submission and consideration by the board.

A proxy may not be given to another member of the board.

### **3.1.5 Emergency decision-making**

A resolution in writing signed by a majority of board members, not being less than the number required for a quorum, is a valid resolution of the board.

For the purpose of this clause, a board member may return a signed resolution to the secretariat by e-mail or facsimile.

Where a resolution is passed by such means, it shall take effect immediately. However, the resolution shall be ratified at the next subsequent board meeting and noted in the minutes of that meeting.

### **3.1.6 Attendance by others**

The board may, within its discretion, invite the Trustee, donors, grantees or their representatives and other interested persons to attend any board meeting.

## **3.2 MINUTES**

Minutes must be kept of all meetings of the board and any board committees. The secretariat is responsible for recording and retaining in a secure place all such minutes.

Board members are responsible for ensuring minutes are accurate and reflect a true record of the discussion and decisions of the board.

Draft minutes of board meetings must be circulated to board members within 10 days following each meeting and include in the papers for the next board meeting a schedule of action items arising from the meeting.

The minutes must be confirmed correct by the board at its next meeting, and signed by the chairperson.

A copy of the minutes signed by the chairperson must be provided to the Trustee within 10 days of the relevant meeting.

## **4. BUSINESS TO BE CONDUCTED**

### **4.1 BUSINESS TO BE CONDUCTED AT EACH BOARD MEETING**

Each quarter the Trustee is to provide the board with a quarterly Financial Statement regarding the status of the Foundation.

At each board meeting, the board is to conduct at least the following business.

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## **Financials**

- Receive and consider the implications of the quarterly Financial Statement from the Trustee on:
  - the net income of the Foundation;
  - accretions to the Foundation including amounts and sources;
  - income paid or applied last quarter from the Foundation;
  - the net income of the Foundation which may be available for distribution in the coming quarter.
- Consider advice provided by the Trustee on financial performance issues impacting on the Foundation. Under clause 4.3 of the Trust Deed, the Trustee will seek advice from the board if there is a possibility of paying funds from capital rather than income. The board will consider the potential issues and consequences and advise the Trustee in response.
- Determine quarterly recommendations to the Trustee on the application of net income from the Foundation. Board deliberations should consider the aim for the Foundation to be self-sustaining.
- Provide recommendations as to suitable key indicators of financial performance of the Foundation and its activities.

## **Industry donations to the Foundation**

- Assess outcomes and the effectiveness of engagement and other activities aimed at seeking industry donations to the Foundation.

## **Distributions from the Foundation**

- Make recommendations to the Trustee regarding distributions from the Foundation for charitable purposes in accordance with clause 4.1.
- Liaise with the Gladstone Region Community Development Committee in its role to provide expert advice and local content and context to the board regarding social infrastructure and programs.
- Monitor distribution outcomes to ensure alignment with the Foundation's specific purposes as set out in the Trust Deed.
- Consider the appropriateness of funding guidelines and application processes.
- Determine information to report to the Trustee on the performance of the Foundation in relation to distribution outcomes.

## **Profile and awareness raising**

- Monitor the profile of the Foundation and the extent to which broader stakeholders are engaged in the activities of the Foundation.
- Consider whether approaches need to be made to the Trustee for income to be applied to fundraising or awareness raising activities.

## **Policy and planning**

- Monitor the strategic direction of the Foundation against the Foundation's strategic plan which is prepared by the Board and subject to the endorsement of the Trustee.
  - Consider the appropriateness of any policies regarding the Foundation's operation.
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## **Administration**

- Consider issues associated with administration of the Foundation such as performance of the secretariat function.
- Considering the matters that may need to be raised with the state and other levels of government in their capacity to provide support to the Foundation and/or to the board.

### **4.2 BUSINESS TO BE CONDUCTED ANNUALLY**

On an annual basis the board should conduct a review including:

- achievement of the Foundation's specific purposes in light of the annual financial statements for the Foundation;
- achievement of progress against the Foundation's strategic plan, and strategic priorities for the Foundation for the coming year;
- industry and community support and recognition of the Foundation;
- donor satisfaction;
- administration of the Foundation;
- these procedures to ensure they remain consistent with the board's purpose and function as set out in its Terms of Reference.

The board is also required to undertake a review of its performance, including the performance of any board committees, at least annually.

## **5. BOARD COMMITTEES**

The board may establish committees to assist it carry out its functions effectively and efficiently.

Committees can consist of such persons as the board thinks fit provided that a majority of the members of the committee as well as the committee chairperson are members of the board.

The following general principles apply to committees established by the board:

- for each committee established by the board, the board must approve a charter or terms of reference which state the committee's purpose, membership and tenure, role and responsibilities, scope of authority, meeting procedures, secretariat support, reporting requirements, and access to information;
- committees are to comprise between three and five members, with preferably an uneven number of members;
- committees are to be given roles and responsibilities regarding matters of relevance to the board's function;
- committees are not to have any decision-making power in their own right but rather make recommendations to the full board; and
- committees are expected to minute their meetings and provide a copy of the minutes for inclusion in the board papers for the subsequent board meeting.

From time to time the board will review the committee structure to ensure that it is still relevant to the board's needs. The board may decide to dissolve a committee if it believes that it is no longer useful, or create new committees as required.

The board will review the performance of board committees as part of any annual board performance review discussed in para 4.2.

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## 6. BOARD MEMBERS

### 6.1 BOARD MEMBER INDUCTION

On their appointment, a board member will be issued with a letter of appointment signed by the chairperson and outlining the role and expectations of the board member.

It is important that any new board member understands the purpose, function and procedures of the board and Foundation, and is able to make an effective contribution as soon as possible. With this in mind, the board requires any new board member to undertake an induction program soon after appointment and preferably before their first board meeting.

As part of this induction process, the secretariat will provide the new board member with the following documents:

- a copy of the Foundation Trust Deed;
- a copy of these Board Procedures and associated board policies;
- the Foundation's Vision and Purpose Statement prepared by the Board and subject to the endorsement of the Trustee;
- the Gladstone Region Social Infrastructure – Voluntary Industry Contributions Framework document;
- information regarding social infrastructure and programs in the Gladstone region;
- the Foundation's last annual report;
- board papers from the last board meeting;
- the current board calendar;
- details of all board committees, terms of reference, and membership; and
- contact details and profiles for all other board members, and the secretariat.

Every effort should also be made for the new board member to receive a detailed briefing from the Chairperson regarding the Foundation's purpose and function as set out in the Terms of Reference, the board member's expected role and contribution, together with an explanation of the way the Foundation and board operates.

### 6.2 EXPECTATIONS OF BOARD MEMBERS

Each board member is bound by the Foundation Trust Deed, Board of Advice Terms of Reference, these Procedures and other policies and procedures approved by the Trustee from time to time. All board members are expected to comply with the Code of Conduct which appears as **Attachment A**.

In addition, each board member is expected to:

- work as part of a collaborative team to fulfil the vision and purpose of the Foundation;
- participate fully in, and promote, the work of the Foundation;
- uphold the integrity of the Foundation, and not do anything that might bring the Foundation into disrepute; and
- act honestly, reasonably and in accordance with the Foundation's governance documents at all times.

It is important that all board members make their utmost effort to attend all board meetings and other events on the board's calendar. This ensures that:

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- the workload of the board is shared among the board members;
- board deliberations involve the input of all board members especially given that the board relies on its collective skill set; and
- the board is able to meet the necessary quorum.

If a board member is unable to attend a board meeting or event, then they are expected to notify the Chairperson through the secretariat before the relevant meeting or event. A board member is to give as much notice as possible in this regard.

If a board member is consistently unable to attend board meetings and events then the Chairperson will discuss with the board member the reasons for their non-attendance and an appropriate course of action.

### **6.3 CONFLICTS OF INTEREST**

Board members must not allow a personal interest to conflict with or compromise their position as a member of the Foundation's Board of Advice.

The board has adopted a Conflict of Interest policy (**Attachment B**) to:

- assist board members understand and identify the types of interests that might pose a conflict;
- detail the responsibilities of board members in dealing with conflicts of interest; and
- detail procedures for managing and monitoring board members' conflicts of interest.

### **6.4 MEDIA AND COMMUNICATION PROTOCOLS**

Unless otherwise resolved by the board in consultation with the Trustee, the Chairperson is the authorised spokesperson for the Foundation.

Individual board members should not express personal opinions in relation to the activities of the Foundation, or represent the Foundation, except as authorised by the board.

Board members' requests for access to Foundation information should be directed through the Chairperson to ensure maintenance of lines of authority and communication.

### **6.5 BOARD CONFIDENTIALITY**

Board members will not:

- use confidential information;
- disclose confidential information to any person; or
- allow or make it possible for any person to observe confidential information,

other than for the purpose for which the confidential information was given to the board member or as is required by law.

Confidential information means all information of the board and the Foundation which is regarded by the Trustee as confidential to it or would reasonably be considered to be confidential to it, including information not publicly available and information of a commercially sensitive nature.

Confidential information does not include information which:

- at the time of the first disclosure to or observation by the other party, was already in the lawful possession of that party;

- is in or comes into the public domain otherwise than by disclosure in breach of this document; or
- becomes available to the other party from any other source provided it was not acquired directly or indirectly from the relevant party.

All minutes of the meetings of the board shall be confidential information unless the board resolves to make those minutes publicly available.

The obligation regarding board confidentiality extends to disclosing confidential information even after the board member is no longer serving on the board.

Should the board agree that an observer attend any part of its meetings and that observer becomes privy to confidential board information, then the board shall also request a signed confidentiality undertaking from that person.

In accordance with the Conflict of Interest policy, board members shall not use confidential information acquired by virtue of their position on the board for their personal financial or other benefit, or that of any other person.

## **6.6 FOUNDATION EXPENSES**

Expenditure to be met by the Foundation, subject to the recommendation of the Board and the approval of the Trustee, includes:

- secretariat costs;
- reasonable travel and accommodation costs for board members to attend board meetings and events;
- catering for board meetings and other events, all of which is to be appropriate to the occasion;
- engaging consultants as required (for example, relating to branding, marketing, ICT and governance);
- attendance at conferences and seminars approved by the board; and
- other administrative costs associated with running the board (such as preparing and copying board papers and documents, assistance with board secretariat functions etc).

The Foundation will pay board members a meeting fee as set by the Trustee from time to time, provided the minimum remuneration may be based on the Queensland Government's policy regarding remuneration of part-time members of government boards, committees and statutory authorities.

The Foundation will also reimburse board members' reasonable expenses incurred in performing their role with the Foundation.

Board members may not accept any fee, reward, gratuity, gift or remuneration of any kind other than board fees or allowances unless recommended by the Board and approved by the Trustee.

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## **7. ACCOUNTABILITY**

### **7.1 ANNUAL REPORT**

Each year the board will prepare, in consultation with and subject to the approval of the Trustee, an annual report to the Minister for Infrastructure and Planning (as the settlor of the trust). This report should contain such information as required by the Minister including, as a minimum, information regarding:

- the Foundation and the board;
- the activities and performance of the Foundation over the past year;
- changes in the state of affairs of the Foundation;
- the financial status of the Foundation (as per information provided by the Trustee) including the audited financial statements of the Foundation;
- the strategic direction of the Foundation and progress made in achieving any strategic plans and goals for the reporting period; and
- such other information as the board determines to be appropriate.

### **7.2 PUBLIC INFORMATION**

As far as practical, the board will keep the community informed of matters concerning the Foundation. The Foundation will establish and maintain a web site to facilitate this aim.

The board shall make public the Foundation's:

- vision and purpose;
- Terms of Reference and other documents outlining its role and procedures;
- policies and procedures for receiving donations; and
- policies and procedures for advertising for grants, receiving submissions and making recommendations in relation to requests for grants.

Each Foundation annual report prepared by the board will also be made publicly available.

Publicly available documents may be placed on the Foundation's website.

### **7.3 DONORS**

The board will ensure that all donors are appropriately acknowledged for their contribution to the Foundation and, hence, contribution to projects which the Foundation has supported.

The board will ensure that a corporate identity is developed for the Foundation which incorporates a Foundation logo. Grant recipients should be encouraged, as part of their grant funding to acknowledge the financial support of the Foundation through measures such as:

- display of the Gladstone Foundation logo in a prominent position on all materials associated with the project;
- acknowledgment of the Gladstone Foundation support at all events associated with the funding; and
- promotion of the Foundation on the recipient's website.

### **7.4 EXTERNAL AUDIT**

The Foundation will be externally audited each year by the Queensland Auditor-General or an external auditor appointed in the place of the Queensland Auditor-General, by the Trustee.

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## **8. REVIEW OF PROCEDURES**

Subject to the terms of the Trust Deed, the board may resolve to amend, repeal or add to these procedures and submit those proposed changes to the Trustee to ensure the changes do not present a conflict with the trust deed or with the roles and responsibilities of the Trustee.

A resolution by the board to amend, repeal or add to these procedures takes effect and is valid only after the Trustee confirms in writing that it does not have any issues with the changes.

A copy of any proposed changes are to be provided to the Trustee within 30 days of the board's relevant resolution.

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