

CREATING SHARED GOVERNANCE

SELECTING THE BEST ORGANIZING STRUCTURE¹

PURPOSE

While governance in collaborations is unique, there are some generic organizing structures that can be considered. Keep in mind that even with these options, there are still choices to be made, such as whether the collaboration's decision-making process should be highly decentralized or centralized; whether the structure should be more formal or informal; and whether a higher or lower degree of partner participation is expected.

HOW TO USE THE TOOL

- There are four key questions to be answered in deciding on the best organizing structure for your particular collaboration:
 1. **Should the collaboration be collectively organized without any attachment to another entity?**
 2. **If it does remain collectively organized, will some functions be performed by a lead organization(s)? If so, what functions should it/they perform?**
 3. **If the collaboration chooses not to incorporate, should it operate as a project or initiative of a 'shared administrative platform' organization? If so, what are the structural implications?**
 4. **Should the collaboration incorporate as a distinct legal entity? If so, should it be an incorporated non-profit or a co-operative? Should it obtain charitable status?**
- Use the following descriptions to help inform those decisions.

¹ Adapted from Building a Nonprofit Network: Linda Mollenhauer, Valerie Johnston, Janine Gates; for Ontario Volunteer Centres Network (2011)



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Collectively Organized

Description

Almost all collaborations start as a stand-alone, collectively organized efforts spearheaded by an individual or group of individuals who are motivated by a common cause. These collaborations choose to organize themselves rather than to create a separate entity responsible for governance and coordination of the work.

Distinguishing Features

- While this type of structure may have staff, its partner organizations contribute many of the competencies, capacities and resources required to accomplish its goals.
- There may be no formal governance structure because the intent is simple (e.g. share resources) and doesn't require a high degree of decision-making and accountability. It can be made up of a small or large number of partners. For example, in the case of a collaboration in which two organizations combine a program, it might just consist of a joint Board or staff committee. Governance can also be a very formal structure because the collaboration's aims and/or decision-making and accountabilities are more complex.
- Governance may be handled by all partners or a subset of partners. Coordination may be handled by staff or volunteers from partner organizations, or by outside staff.
- There is a more decentralized organizational structure and (typically) more shared decision-making.
- Relationships are based on formal or informal agreements about how partners will work together.
- The work might be done by standing committee's or work groups which are directed by a clear set of strategic priorities and activities. It can also be done through a constellation model in which small, self-organizing teams of partners work together on particular issues of mutual interest. These action teams emerge based on opportunity and interest, rather than as a result of any pre-determined strategy.

Pros

- More agile and able to be responsive to changing circumstances
- Builds the capacity of more partners to play a role in governance and coordination
- Highly inclusive so there is greater engagement and ownership for results
- Built and maintained by partners to meet their specific needs and interests

Cons

- Relies on the willingness and capacity of partners to contribute the necessary skills, competencies and resources
- More challenging to manage and ensure accountability because of shared leadership and decision-making
- Not as efficient because it requires more and slower decision-making processes
- More difficult to sustain over a long period of time

Collectively Organized with Lead organization(s)

Description

One or more of the partner organizations take a lead in the collaboration because they have resources, credibility and/or potential access to funds which they can flow through to the collaboration.

Distinguishing Features

- There may be one or a number of lead organizations.
- They may have governance responsibilities; be a flow through conduit for funds and manage those funds; and/or provide support for administration, coordination, technology and/or logistics.
- This structure allows the unincorporated collaboration to receive funds through the lead organization; the lead organization is then accountable for those funds.
- The lead organization(s) may exert more or less control over the collaboration.
- This relationship may result in more centralized decision-making - depending on which tasks are assigned to the lead organization(s).
- The relationship between the lead(s) and the other collaboration partners is based on an informal or formal agreement.

Pros

- Provides a vehicle for receiving and administering funds
- Still more agile and able to be responsive to changing circumstances than creating a separate entity
- Provides support to the collaboration so that it doesn't solely depend upon the partners to contribute
- Lead can provide greater efficiencies and legitimacy for the collaboration
- May have many of the pros of a collectively organized collaboration if governance, decision-making and the work is shared among partners

Cons

- May cause real or perceived issues of power and influence of one partner or entity over others, resulting in the disengagement or disenfranchisement of some partners and/or create tension about who receives credit for the accomplishments
- In the interests of efficiency, decisions might be made for partners rather than by them
- Still challenging to manage and ensure accountability because of shared leadership and decision-making
- Lead agency may find that is competing with its own programs and services for funding

Shared Administrative Platform Organization

Description

A collectively organized collaboration may become a 'project' of an existing entity which provides a shared administrative platform (SAP) and becomes the legal home for the collaboration. Tides Canada is the best example of this option.

Distinguishing Features

- The network becomes a part of the shared administrative platform organization which assumes all governing, legal and fiduciary responsibility for network activities.
- The activities of the network as a 'project' are overseen by the shared administrative platform organization's management team and, ultimately a board of directors.
- The network identifies a project director and establishes a steering committee which is responsible for setting and achieving the network's strategic directions and managing the work of the network.
- The shared administrative platform provides finance, HR, risk and grant management, eliminating the need to duplicate infrastructure.
- A terms of reference document sets out the responsibilities between the shared administrative platform organization and the network as its 'project'.
- The network or 'project' is responsible for raising its own funds, a portion of which is allocated to the shared administrative platform to cover its areas of responsibility.

Pros

- Many aspects of governance and administration are handled by the SAP reducing the burden on partners
- The SAP provides credibility to funders and other key stakeholders
- Eliminates the need to establish a separate entity
- Allows the collaboration to set its own directions and activities

Cons

- May cause real or perceived issues of power and influence resulting in the disengagement or disenfranchisement of some partners and/or create tension about who receives credit for the accomplishments
- Must find funds to pay for the SAP
- Must share control of the collaboration with SAP

Incorporated Organization

Description

The collaboration becomes incorporated as a non-profit or cooperative organization. It may also choose to set up as a registered charity. The focus of the organization is to achieve the mission agreed to by the partners and to meet their needs and interests, although those interests may also accomplish a broader public good.

Distinguishing Features

- It typically employs a more centralized organizational structure.
- Partners can be either highly engaged or peripherally involved in achieving the outcomes.
- Work may be undertaken primarily by partners, or by staff.
- Decision-making may be either highly distributed among partners, or more centralized.

Pros

- It may be more efficient, easier to manage and better able to ensure accountability
- Reduces the burden on collaboration partners to fulfil roles and responsibilities
- Can provide credibility and sustainability

Cons

- Less agile and responsive due to fixed structures and the need to meet legal and regulatory requirements
- More costly to set up and maintain operational infrastructure
- May also promote partner disengagement and disenfranchisement because it is perceived that the work is being done by someone else
- In the interests of efficiency, decisions might be made for partners rather than by them
- Partners may find themselves competing with the organization for funds
- May cause real or perceived issues of power and influence resulting in the disengagement or disenfranchisement of some partners and/or create tension about who receives credit for the accomplishments