

How to Run an Annual General Meeting



Ensuring that this statutory business takes place is part of good governance. An AGM is an important part of the democratic life of an organization. In *Grassroots Governance: Governance and the Non-Profit Sector*, prepared by Certified General Accountants of Ontario, the purpose of the Annual General Meeting is to:

- Read and correct the minutes of the previous AGM
- Approve the audited financial statements, including reports to the board
- Receive committee reports not included in the financial statement
- Approve amendments and additions to bylaws
- Call for nomination for the board and/or receive the report of the nominating committee
- Elect new directors
- Elect the auditor
- Transact any other business.
- The AGM is also an opportunity for a board to share the news, challenges and successes of the organization and hear from its membership. It is often the primary two-way communication channel for a board and its stakeholders. Boards should try to ensure there is opportunity for dialogue with their members at the AGM, particularly if they do not provide other opportunities throughout the year.

WHEN TO HOLD AN AGM

Unless the Articles of Incorporation provide otherwise, annual membership meetings must be held within 15 months of the last preceding annual meeting, but no later than six months after the end of the preceding fiscal year. Some organizations have a fixed or approximate date identified in their by-laws. The annual meeting must be held no later than four months after the fiscal year-end. There are some minor differences for organizations that are incorporated federally. Financial statements and the auditor's report, which will be presented at the meeting, must be sent to the membership 15 days prior to the date of the meeting.

PREPARING FOR THE AGM

The AGM is an important meeting and preparation is advised. Consider your goals for the meeting:

What do you hope to accomplish? Are there any key announcements or changes to the constitution or bylaws? Are any discussions or consultations required?

There are normal business requirements that take place at an AGM, but adding in other elements may change the time, length, venue needs, etc for the meeting.

Where do you want to hold the event in order for it to be comfortable and accessible to your members?

Members are giving their time to come to hear from your organization. Make the meeting as comfortable and accessible as possible. Use them as an opportunity to demonstrate to members their value to the organization.

Do you have controversial information to share? What preparation is required?

Every board worries that they may have to deal with disappointed, disgruntled, concerned or even angry members. The board should be willing to listen to any concerns expressed from the members, be able to explain the processes (or have staff explain) and be able to defend their decision-making. It is also wise to have a plan in place to handle dialogue respectfully for all members.

It is a requirement that written notice of the AGM be provided to all members a minimum of 15 days prior to the meeting (and not more than 50 days prior). The notice needs to include the meeting's date, time and location, as well as any special resolutions (i.e. changes to the bylaws) and the minutes of the last AGM. Notices can be sent by email, regular post, hand delivered, or faxed.

SAMPLE AGM PREPARATION TIMELINE

TIMELINE	TASK	RESPONSIBILTY
4- 6 months prior	Nominations process begins: candidate identified, Committee or Chair contacts, applications received	
4-6 months prior	By-law changes or resolutions: begin preparing background materials	
3-4 months prior	Make arrangements for AGM location, food and speakers	
3-4 months prior	Start preparing the Annual Report publication	
3-4 months prior	Send out Save the Date notice of Annual General Meeting to membership	
1 month prior	Complete and send draft reports to the Chair.	
1 month prior	Send Annual Report for printing	
15 days to 1 month prior	Send out Audited Financial Statements, any resolutions or bylaw changes, and last AGM minutes to Membership	
15 days prior	Promote nominations already submitted. Nominations remain open until third call at AGM, unless stated differently in organization's constitution.	
15 days prior	Draft script with all details of the meeting	
15 days prior	Ensure materials are available on the web site	
1 week prior	Confirm attendance of speakers (if applicable)	
1 week prior	Determine date (or possible dates) for new board orientation	
1 week prior	Prepare voting cards to identify groups, and ballots for Election of Directors. Identify the scrutineers and invite to AGM.	
1 week prior	Determine roles for board members and/or staff at the meeting.	
1 week prior	Finalize script for Chair and other Board members as needed (ie Audit Committee)	
1 week prior	Assess RSVPs to help ensure quorum will be at the AGM. If quorum is going to be an issue, send out request for proxy statements.	
Day of AGM	Arrive early and ensure room is prepared. Ensure equipment needed is in place and in working order. Ensure a sign-up sheet is at the door to record attendance. Have extra AGM packages available in case members forget their copies.	

DEVELOP AN AGENDA...AND A SCRIPT

Many AGM agendas are designed to fit in all the business. A common AGM agenda looks like this:

- Meeting call to order
- Establish quorum
- Approval of minutes of previous AGM
- Directors' reports
- Financial statements
- Optional - report from the Treasurer
- Auditor's report
- Appointment of the Auditor
- Optional - Coordinator/Executive Directors' report
- Optional – Committee reports
- Optional – New Business
- Election of new Directors
- Any special resolutions requiring approval by the membership, such as changes to the constitution or bylaws of the organization
- Optional - Special Guest Speaker
- Meeting adjournment
- Boards are also encouraged to prepare an entire script for the AGM. A script will help keep the meeting on track, and help the Chair set the right tone and structure for the meeting and ensure that all the proper meeting protocol is addressed.

DIRECTORS' REPORTS

As part of the AGM, it is common practice for different board members to report on various aspects of the organization. Larger boards may have a committee chair report on the work of a particular committee, such as Finance; however, even in smaller boards it is good practice to give each board member an opportunity to present on some area.

PRESIDENT/CHAIRPERSON'S REPORT

The president, or chairperson, usually begins the AGM with an overview of the past year. This is usually a good opportunity to highlight the accomplishments and provide insight into the year ahead. It may also be the time to inform the membership of key changes – both good and bad – that may impact the organization. If the president needs to share some challenging news, it is best to also include the forward plans for the organization. The president may also want to comment on the working relationship of the board.

It is also common practice to have the president/chairperson speak on behalf of all the committees and wrap up the comments into an overview. Committees usually have an opportunity to provide reports in the Annual Report publication, which can be read by the membership. DO NOT take up the time at the AGM to read the reports included in the Annual Report.

FINANCIAL/AUDITOR'S REPORT

Every incorporated non-profit must present financial information to its membership at the AGM. Most organizations have an independent auditor examine their finances once a year, and the auditor's report is given to the membership as evidence that the organization is using Canadian generally accepted accounting principles. An audit is designed so that an accountant can tell an organization whether the financial statements fairly represent the result of operations and cash flows of the organization. The auditor will provide reasonable assurance that there are no significant problems with the organization's books, or identify any irregular accounting practices and bring them to the attention of the membership.

As part of the financial report, the Audit Committee/Treasurer will often share the balance sheet (showing the organization's assets and liabilities for up to not more than four months before the meeting); Statement of Income and Expenses (provides a general statement of revenue and expenses for the financial year that ended closest to the date of the balance sheet); a Report from the auditor; and transparent financial information.

As part of the AGM, the organization's membership will appoint an auditor for the following year.

EXECUTIVE DIRECTOR'S REPORT

While the board meeting is primarily the board's responsibility, the board may want the Executive Director to provide an update on the operations of the organization. This is an opportunity to build the staff and member relationship. The Executive Director's report may include:

- Human resource changes, challenges or successes
- Partnerships developed and maintained by staff members
- Program changes or developments

The Executive Director should stick with the operations, while making it clear that it is the work to meet the strategic directions of the board.

SPECIAL RESOLUTIONS OR BYLAW CHANGES

Changes to the organizations constitution or bylaws are most often taken to an AGM and voted on by the membership. At this point the membership has the power to accept or reject the proposed changes by the board, but cannot modify what the board has proposed. In many cases, changes to the constitution must be approved by 2/3 vote at a general assembly.

BOARD NOMINATIONS & ELECTIONS

The election of board members is an important democratic process for a non-profit organization. It begins with a nomination process that is often coordinated by the board's Nominations Committee. In the case of small boards, it might be the responsibility of the Board President/Chair. Prior to the Annual General Meeting and the Election, the vacant positions and the names of the nominees should have been presented to the membership.

To begin the election process at the Annual General Meeting, the Board Chair must first outline the positions that are to be filled and present the nominees to the membership present. Some organizations provide background information on each nominee in the AGM package, and even let each of the nominees make a presentation on why they are a good candidate for the board of directors. Members who are nominated by absent from the meeting should have a statement in writing submitted on their behalf to the meeting.

Once the initial nominees are presented to the membership, the Chair will open the floor to nominations. While some organizations require the Chair to make three calls for nominations, there is no requirement in Robert's Rules of Order to call for nominations three times. All the Chair is required to do is make sure that he members have a reasonable opportunity to nominate, and the process is not rushed. When the nominations process is complete, the Chair can make a motion to close nominations.

Next, the Board Chair will announce the names of the scrutineers. The scrutineers distribute and collect ballots, count the votes cast for each candidate, and report results to the elections officer. The scrutineers, are individuals who are not members of the organization and do not have voting privileges, can be appointed by the board or elected through a motion by the membership.

Once the scrutineers have been appointed the voting can take place. The Chair should provide clear instructions on the voting process. Voting can be done by voice (aye or nay count), ballot (a written slate of candidates, or individual ballots where names are written), roll call (each voter/organization is called and submits their choice), cumulative voting (usually used when multiple candidates are chosen for positions – each voter is given the number of ballots for the vacant positions, they can use them all for one candidate, or support multiple candidates, the final count of all ballots submitted determine the those selected).

Once the process is described the Chair announces the voting category and the membership votes. In the case of secret ballots, it is important to provide a secure ballot (cannot be duplicated easily) so that the correct number of votes are taken from the membership. Also, be sure that what is required as a legitimate ballot is clearly defined to voters (i.e. write down the complete name of the candidate). The ballots are then collected usually into a ballot box (it is best not to pick up ballots by hand). The scrutineers take the ballot box to a secure location for counting. The Chair can proceed

to other meeting business during the count, or in some cases, the election will be done in two or three parts, depending on how many board members are being elected.

When counted the scrutineers compile the information onto a tally sheet. The tally sheet should include number of votes cast, number of votes required to elect and number of illegal/spoiled votes, as well as the number of votes for each candidate. The tally sheet is then signed by the scrutineers, and given to the Board Chair for announcement. The Board Chair announces the total number of votes cast, number of votes required to elect, number of illegal/spoiled votes and the votes for each candidate (in some cases only the vote count for the candidate with the most votes is given).

Once all the votes have been counted and the board positions filled, the Chair makes a motion to destroy the ballots. The Chair also has the option of making a motion to hold the ballots for 30 days before destroying. If members question the validity of an election or the procedure in taking the vote, a member should make a motion to recount the votes.

The Chair should meet with the new board immediately after the meeting to welcome new and returning board members and set a date for an Orientation meeting.

Overall, there are no hard and fast rules governing the proper conduct of elections. The key word is democracy. If the rights of your members are respected, allowing equal and fair opportunity for each person to nominate, run and vote, then your elections should be successful. If problems arise, be sure to announce when and how they will be addressed before the next meeting.

SAMPLE ELECTION PROCESS

Every organization adapts the election process to fit their purposes. The following is just an example of the activity that takes place. The Chairperson can run the entire election, or portions of it can be assigned to other board members.

SEE CHART IN NEXT PAGE

TASK	RESPONSIBLE
Open the election process by announcing the vacant positions on the board and nominees up for election.	Chairperson
Call for nominations from the floor.	
To give people more time to consider nominations from the floor, the Chair can invite nominees to say a few words on their nomination, or he or she can invite the membership to review the nominee backgrounders.	
Appoint the scrutineers and outline their role.	
Request a motion to close nominations.	
Announce the voting process: How the votes will be collected: ballot, voice, etc. How the voting will be called: by individual, or by slate How to fill out their ballot (if applicable)	

Direct the voting processes by calling the position and naming the candidates, and calling the vote; or Proposing a slate of candidates be accepted and calling the vote.	
Scrutineers collect the vote (pick up ballots, or count hands raised) after each position vote, or after the slate has been announced.	
Scrutineers leave the room to count votes and prepare tally sheet.	
AGM continues with other business, or takes a brief recess.	
Scrutineers provide results.	
Results are announced.	
Motion made to destroy the ballots	
Chair meets with new board members to set first meeting date.	

MINUTES

It is important to record the minutes of the AGM. The minutes are often required as part of the incorporation agreement. The minutes are a written summary of what happened during a meeting. They provide a good communication tool for people who were not able to attend. The minutes are a record of the things that were agreed to while the members were gathered together, so while they do not need to be a word-for-word account, it is good practice to get exact wording of decisions/motions made.

MEETING ADJOURNMENT

The final work of the Chair is to call for a motion to adjourn the meeting. Before doing so, the Chair will often thank everyone for attending and encourage members to keep open dialogue throughout the year.

**Clearview Training & Consulting / Gary MacDonald / www.clearviewtraining.org / info@clearviewtraining.org
1.888.494.1027**