# Top three issues commonly faced by Small Not-for-Profit Boards in Canada:

## 1. Governance and Board Engagement

- **Issue**: Small not-for-profits often struggle with clearly defining the roles and responsibilities of board members, leading to governance issues. Board members may lack clarity on their fiduciary duties or may not be fully engaged in the organization's mission, resulting in ineffective decision-making.
- **Impact**: Lack of strong governance can prevent the organization from achieving its goals and may lead to poor financial oversight or compliance issues.
- **Solution**: Regular board training and clearly defined roles can help improve governance and ensure board members are actively contributing to the organization's success(

### **Exploding Topics**

### McKinsey & Company

#### 2. Sustainability and Fundraising

- **Issue**: Small not-for-profits often face difficulties in securing sustainable funding. They may rely on a few sources of income, such as grants, which can be inconsistent or competitive. This leads to uncertainty in maintaining operations and expanding programs.
- **Impact**: Without diverse and reliable funding, small organizations may struggle to achieve longterm stability and growth, risking closures during financial downturns or when grants are not renewed.
- **Solution**: Boards can focus on creating diversified fundraising strategies, building strong relationships with donors, and exploring different revenue streams to mitigate risk(

## StartUs Insights

#### **Business Daily**

#### 3. Board Recruitment and Retention

- **Issue**: Finding and retaining skilled board members is a persistent challenge for small not-forprofits, especially in rural areas or smaller communities. Board turnover can be high, and it may be difficult to recruit individuals with the right skills, experience, and commitment to fulfill governance and fundraising responsibilities.
- **Impact**: High turnover and lack of expertise on the board can lead to organizational instability and reduced effectiveness in achieving the non-profit's goals.
- **Solution**: Developing a formal recruitment process, offering onboarding and training, and focusing on board diversity and inclusion can improve retention and bring a range of perspectives and skills to the organization(

## McKinsey & Company

# Corporate Culture

By addressing these challenges, small not-for-profit boards can improve their governance, enhance financial sustainability, and build stronger teams to support their mission.